

Assassination Records Review Board

Final Determination Notification

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RECORD SERIES :
AGENCY FILE NUMBER :

September 25, 1998

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The redactions in this document have been postponed under the provisions set forth in The John F. Kennedy Assassination Records Collection Act of 1992.

The number within the brackets is provided to represent the appropriate substitute language from the list below.

Board Review Completed: 08/25/98

2025 Release under the
John F. Kennedy
Assassination Records
Collection Act of 1992

01 Crypt
02 Digraph
03 CIA Employee
04 Asset
05 Source
06 Name of Person
07 Pseudonym
08 Identifying Information
09 Date
10 Location
11 Country

12 CIA Installation in Africa/ Near East*
13 CIA Installation in East Asia/ Pacific*
14 CIA Installation in Northern Europe*
15 CIA Installation in Western Europe*
16 CIA Installation in Western Hemisphere*
17 Cable Prefix for CIA Installation in Africa/ Near East*
18 Cable Prefix for CIA Installation in East Asia/ Pacific*
19 Cable Prefix for CIA Installation in Northern Europe*
20 Cable Prefix for CIA Installation in Western Europe*
21 Cable Prefix for CIA Installation in Western Hemisphere*

* The number after the hyphen tracks of individual locations.

22 Dispatch Prefix
23 File Number
24 Operational Details
25 None
26 Scelso (The information is the true name of the individual whose pseudonym is John Scelso.)
27 CIA Job Title
28 CIA
29 Name of Organization
30 Social Security Number
31 Alias Documentation
32 Official Cover (Details of Official Cover)
98 Information not believed relevant to JFK assassination
99 See the special substitute language above.

"Diff Files" for NARA 2025 Documents Release JFK Assassination Records

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Notes:

Black text on a blue background indicates content
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I did my best to be accurate in revealing what is new,
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JFK ASSASSINATION SYSTEM

IDENTIFICATION FORM

AGENCY INFORMATION

AGENCY : HPSCI
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AGENCY FILE NUMBER :

~~CIA HAS NO OBJECTION TO
DECLASSIFICATION AND/OR
RELEASE OF CIA INFORMATION
IN THIS DOCUMENT AS SANITIZED - 8/7/98~~
*See page 2370, 2373, 2376, 2377,
2385 + 2390*

12 apr 99
FP 12 apr 99

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2. TESTIMONY OF DEAN RUSK, GORDON GRAY, RICHARD M. BISSELL, JR., PAUL
O'NEILL, ARNOLD E. DONOHUE.

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2025 Release under the John F. Kennedy
Assassination Records Collection Act of 1992

[R] - ITEM IS RESTRICTED

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

September 12, 1994

Dear Mr. Sheehy:

This is in response to your request, pursuant to the JFK Assassination Records Collection Act, for NSC staff review of the transcript of testimony given April 21, 1975, to the President's Commission on CIA Activities by Dean Rusk, Gordon Gray, Richard Bissell, Paul O'Neill, and Arnold Donohue. The NSC staff has no objection to declassification and release of the document subject to the determinations of the Central Intelligence Agency and the Department of State.

Sincerely,




David S. Van Tassel
Director
Access Management

Mike Sheehy
House Permanent Select Committee on Intelligence
Room H405
The Capitol
Washington, D.C. 20515

The Department of State
has no objection to the
release or declassification
of this document from
page 2190 through page 2263.

Reviewed on August 11, 1994


IM/FPC/HR
Dept. of State

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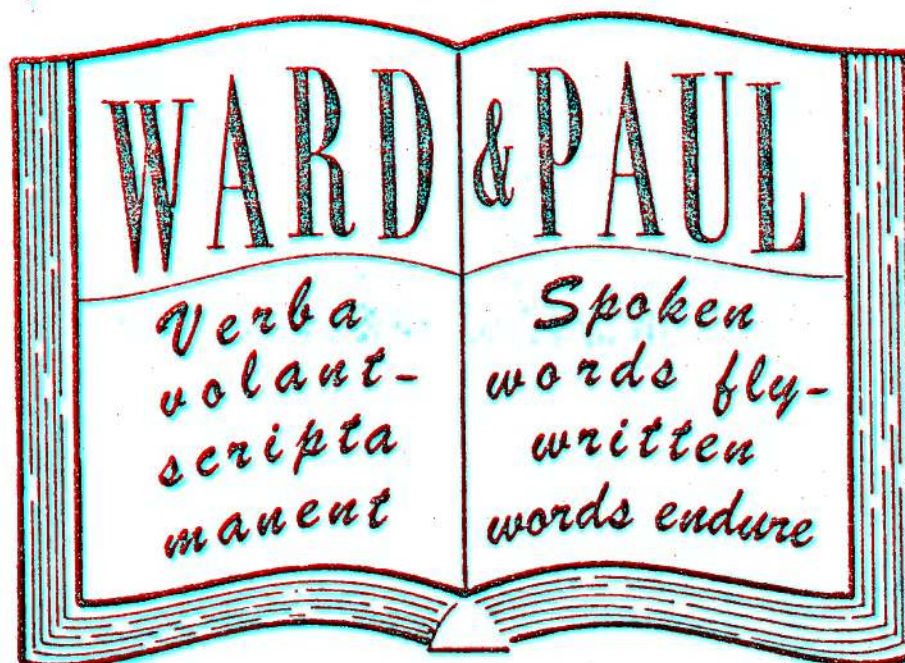
Vol. 17

PRESIDENT'S COMMISSION ON
CIA ACTIVITIES

1 OF 2

Washington, D. C.

Monday, April 21, 1975



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C O N T E N T S

TESTIMONY OF:

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Gordon Gray

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(AFTERNOON SESSION - 2295)

Richard M. Bissell Jr.,

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Paul O'Neill

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Arnold E. Donohue

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*the testimony of former
Secy. of State Dean Rusk
before the Rockefeller
Commission, 21 APR 75
(pp 2190-2282)*

[Signature] 12 Aug 74

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VOLUME 17

PRESIDENT'S COMMISSION
ON CIA ACTIVITIES

- - -

Washington, D.C.

Monday, April 21, 1975

The President's Commission met, pursuant to recess,
at 10:07 o'clock a.m., in Room 272, Old Executive Office
Building, 17th and Pennsylvania Avenues, N.W., Washington, D.C.
Vice President Nelson A. Rockefeller, Chairman of the Commission,
presiding.

PRESENT:

- NELSON A. ROCKEFELLER, Chairman
- JOHN T. CONNOR, Member
- JOSEPH LANE KIRKLAND, Member
- LYMAN L. LEMNITZER, Member
- EDWIN N. GRISWOLD, Member
- EDWARD H. SHANNON, JR., Member

STAFF:

- DAVID W. BELIN, Executive Director
- ROBERT WALLISON, Staff Member
- MARVIN GRAY, Staff Member
- SOL CORBIN, Special Assistant to the Vice President

- - -

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P R O C E E D I N G S

MR. BELIN: Secretary Rusk, if you would stand and raise your right hand and be sworn, this is Ruth Johnson who is a Notary Public for the District of Columbia.

MRS. JOHNSON: Do you swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

MR. RUSK: I do.

TESTIMONY OF DEAN RUSK

MR. BELIN: Could you please state your name for the record?

MR. RUSK: Dean Rusk.

MR. BELIN: And you served as Secretary of State, sir, in the Administrations of John Kennedy and Lyndon Johnson, is that correct?

MR. RUSK: Yes.

Secretary Udall, Secretary Freeman and I were the only three who served throughout the terms of both Presidents.

MR. BELIN: Secretary Rusk, what is your present occupation?

MR. RUSK: I am Professor of International Law in the School of Law in the University of Georgia.

MR. BELIN: And prior to your service as Secretary of State with the Kennedy Administration, could you give us a little bit of a summary of your background?

MR. RUSK: Well, I was President of the Rockefeller

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1 Foundation and General Education Board for about eight years
2 during the 1950's. During the Truman Administration, with the
3 exception of a few months when I was Special Assistant to the
4 Secretary of War, Robert Patterson, I was in the State Department
5 under Secretaries Marshall and Acheson, first in charge of
6 United Nations Affairs, then Deputy Under Secretary for
7 Political Affairs, and then Assistant Secretary for Far Eastern
8 Affairs.

9 Prior to that, I had over five years of active duty
10 during World War II, and prior to that, teaching at Mills
11 College in California while studying law at Berkeley.

12 And I can go back even further, if you wish.

13 MR. BELIN: During World War II, you were involved
14 somewhat with intelligence, is that correct?

15 MR. RUSK: Yes, I was. I was in G-2 from October in
16 1941 until the summer of '43 when I went out to the China,
17 Burma, India theatre. There I was Chief of War Plans, and had
18 a relation with the operations of OSS of the China, Burma, India
19 theatre.

20 MR. BELIN: Could you briefly give us an overview from
21 your personal experience as to what kind of intelligence the
22 United States government had during World War II?

23 MR. RUSK: Well, I think it is important for us to
24 realize that in the background of CIA was a shocking ignorance
25 of world affairs and situations in other parts of the world at

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1 the outbreak of World War II. As a Captain in the Army, I was
2 called back to G-2 in October, 1941, two months before Pearl
3 Harbor, to organize a new section of G-2 to cover everything
4 from Afghanistan through the India Subcontinent, Burma, Ceylon,
5 Malaya, Australia, New Zealand and the British Pacific Islands.
6 They had no section in G-2 interested in that part of the world
7 up to that point.

8 When I got there I asked to see what materials we
9 had on hand as a start, and I was shown one file drawer by an
10 old lady named Mrs. North. In that file drawer was one copy of
11 Murphy's Tourist Handbook to India and Ceylon which had been
12 stamped Confidential because it was the only copy in town, and
13 they wanted to keep track of it; one 1925 military attache
14 report from London on the British Army in India; and then a
15 considerable number of clippings from the New York Times that
16 this old lady, Mrs. North, had been clipping since World War I,
17 and that was it.

18 Well, I passed my first test, because on the second
19 day that I was there, a Colonel from the great War Plans Division
20 of the General Staff called down and said, Rusk, I can't remember,
21 is Indochina in South China or North China, and when I located
22 Indochina for him he hung up in great satisfaction and feeling
23 that he had great intelligence support from G-2.

24 Now, there is no way to describe how deficient we were
25 and we had to scramble around and try to find a missionary here

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1 or a businessman there, or anybody who knew anything about some
2 of these vast areas and, of course, we could get a good deal of
3 information from the British, but you couldn't overload those
4 lines all of the time, because we were starting from scratch.

5 We flew the hump with maps that were supposed to be
6 on a scale of 1 to 1 million, but much of the material on those
7 maps was purely honorary. I mean, I didn't even have maps that
8 would show us the scale of 1 to 1 million the terrain in which
9 we were operating. We tried to organize a Burmese language
10 program in our Army and we looked around the United States for
11 a native Burman. We asked the Census Bureau for a list of the
12 people living here who had been born in Burma and they came up
13 with about twelve names, but most of them were McDougall or
14 McLanahan, the children of British soldiers who were born in
15 Burma. We finally found one and we looked him up and he was in
16 an insane asylum.

17 Well, we fished him out of the insane asylum and made
18 a Burmese language instructor out of him.

19 The impact of this on the need for information after
20 World War II cannot be exaggerated, because we just ran all the
21 time, we were running into this factor of ignorance, and so I
22 think it is important to bear that in mind. And I hope we will
23 never get caught in that situation again.

24 MR. BELIN: Subsequent to World War II, with the
25 build-up of the CIA and other intelligence agencies, of course,

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1 the information gathering facilities of the U.S. government
2 became much greater. And I wonder if you have any opinion as
3 to whether or not we might have at times gone to the other
4 extreme so far as the storage of information?

5 MR. RUSK: I think partly because of this absence of
6 information earlier that we tended to let intelligence become
7 a thing in itself. I had the impression, for example, that in
8 the intelligence community, and I don't point the finger at any
9 particular agency, there developed a kind of a catalogue of
10 desirable information, almost as a Sears, Roebuck catalogue, and
11 it was the duty of the intelligence community to fill in all of
12 the blanks. I hope the Commission will use ^{discretion?} disgression in what
13 it does with some of the examples I might give here today,
14 because I don't want to cause difficulty, but for example,
15 Ambassador David Bruce in London told me that a member of the
16 British Government had come to him and said, David, don't have
17 your military attache planes flying over our factories at low
18 level taking pictures. If you want pictures of our plants, we
19 will give them to you, but all of this kind of business makes
20 our workers nervous, and people don't know what's going on.
21 All they were doing was filling in the blanks, and we tended to
22 go at it without a direct relationship to what might be called
23 policy needs. And I think this was one of the inherent senses
24 of one's ignorance of pre-World War II times.

25 MR. BELIN: I think you also mentioned during our

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1 interview last night that you thought the syndrome of avoiding
2 another Pearl Harbor might have contributed to trying to collect
3 a tremendous amount of information, and you gave as an example
4 the attack on South Korea by North Korea.

5 MR. RUSK: Yes.

6 Our intelligence did not predict Pearl Harbor, but
7 they certainly predicted the Roberts Commission. And I think
8 that that experience has infected to some extent the intelligence
9 community.

10 Now, I once wrote Mr. Schlesinger a little note about
11 this and one or two other matters when he became Director of
12 CIA. One of the nightmares of people in the intelligence
13 community is to have something serious happen which they have
14 not predicted, and so one of the results of that is that
15 policy offices get a continual flow of possibilities, 90 or 95
16 percent of which never happen at all, and the policy officer
17 has the problem then of trying to sort out which is for real and
18 which is not. And that is, sometimes, very difficult.

19 In the case of Korea, after the North Korean attack
20 was launched, people went back through thousands of bits of
21 information. They came out with a handful, six or eight pieces
22 on the basis of which some of them said oh, yes, you see, we
23 knew this was coming. Well, no one picked up the phone and
24 called me. I was Assistant Secretary of State for Far Eastern
25 Affairs at that time, and no one picked up the phone and called

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1 me and said the North Koreans are going to attack. On that
2 evening, I was having dinner with Judge Alsop and Mr. Pace and
3 Justice Frankfurter, and I certainly would not have been out
4 having dinner if I knew that an attack was imminent.

5 Indeed, Mr. John Foster Dulles, who was in Tokyo at
6 the time, said it was not until the Tuesday after the Sunday
7 of the attack that the MacArthur Headquarters accepted that it
8 was anything more than a border incident, and so I think we tend
9 to multiply alleged predictions, partly to cover your trail in
10 case something happens, and I think this is something that
11 policy officers have to get used to, and on which they have to
12 make some discriminating judgments.

13 And it emphasizes the importance of multiple sources
14 of information.

15 Now, when I was a Special Assistant to Judge Patterson,
16 the Secretary of War, I personally supported his efforts to
17 combine all of the intelligence agencies into a single agency
18 and put them altogether in one organization. I since have
19 changed my mind radically on that because I think it is very
20 important that you have not competitive sources of information
21 but diverse sources of information. One of the several reasons
22 for the tragic mistake in the Bay of Pigs was that those who
23 proposing the operation were the same people who were furnishing
24 the information on which judgments were to be made. And I had
25 a specific directive from the President not to consult my own

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1 Bureau of Intelligence and Research in the Department of State
2 to get their judgment on the situation inside Cuba.

3 So I think it is very important that we maintain
4 diverse sources of information as a kind of check against each
5 other, among other things, and also because that way you get
6 some insights and some guesses that might not come through a
7 single channel.

8 MR. BELIN: And so what you are saying is that some
9 duplication, perhaps, so far as the sources on a particular
10 problem, might not be adverse to the best interests of the
11 country?

12 MR. RUSK: Well, I think there should be a very full
13 exchange of information among the different elements of the
14 intelligence community. But I think we ought to, that we
15 ought to have diverse sources of judgment, of analysis, and
16 matters of that sort.

17 MR. BELIN: Now, to go back to your previous comment
18 concerning the Pearl Harbor syndrome and to cover all bases, is
19 it a fair statement that perhaps the inundation of thousands
20 of pieces of information to cover all possibilities does not
21 necessarily lead to the best kinds of intelligence?

22 MR. RUSK: Well, we are faced, the intelligence
23 community is faced, with an inherently difficult problem because
24 of the blizzard of information that has fallen in on the world.

25 Now, a very large part of the CIA's information

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1 gathering has to do with getting materials that are in the
2 public sector, publications from all over the world including
3 the Soviet Union and the People's Republic of China, and the
4 sheer management analysis of the information that is available
5 in the public sector is a massive problem.

6 Now, the processes by which that mass is reduced to
7 some estimates or judgments are very important. To some extent,
8 policy officers are the prisoners of the information they have
9 available to them, and policy officers should be in a pretty
10 sceptical frame of mind about decisions. I mean about judgments
11 of that sort.

12 Very often we try to get information that is not
13 present in the real world, and we ought to, I think, be a little
14 more candid in saying to ourselves that we don't know, but if
15 you want our guess, here's our guess.

16 For example, on a certain Tuesday evening in August,
17 1968, Russian forces went into Czechoslovakia. We thought later
18 that we had learned that the Russians had made that decision on
19 the preceeding Saturday night, three days earlier, Sunday,
20 Monday, Tuesday.

21 Now, if we had asked our intelligence community before
22 that Saturday night whether or not the Russians were going into
23 Czechoslovakia, there is no way they could know, because the
24 Russians didn't know. I mean, I used to smile occasionally at
25 the enormous effort made by foreign people, foreign governments,

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1 to ascertain our intentions when I knew we didn't have any
2 intentions, and so I think we ought to distinguish more clearly
3 between information that is real and information or estimates
4 that are rather speculative in character.

5 MR. BELIN: I am going to change the subject now to
6 the statutes which were adopted by the Congress and which
7 formed the charter of the CIA.

8 Last night, you had some comments concerning your
9 observation of these statutes on the relationship to what has
10 actually happened since the enactment of the statutes.

11 MR. RUSK: Well, I think one must bear in mind that
12 these statutes are the public expressions of the will of the
13 Congress, and there are some things that you don't say publicly.
14 You don't lay out in the statute a capability, say, for political
15 observations in a particular situation. You don't lay out in
16 the statute, a public statute, the complete functions of the
17 National Security Agency, for example.

18 Now, I don't think there was any doubt in the minds of
19 the Congress over these past twenty-eight years that CIA had
20 certain capabilities in the political action field as well as in
21 the espionage, counter-espionage field, or any doubt about the
22 real purposes and functions of the National Security Agency.
23 And so although as a matter of law this may raise some curious
24 questions, I don't think that one can honestly say that the
25 Congress was in any way misled about what kind of an organization

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1 CIA was, or what kind of an organization NSA is.

2 There was a kind of a common law of the matter behind
3 the written word, or there was whatever you want to call it, I
4 will leave that to the distinguished members of your Commission.
5 But some of these things that have been criticized lately as a
6 part of the attack on the CIA I do not think can be measured by
7 reading the exact wording of the public aspects of the CIA
8 charter.

9 MR. BELIN: Is it your understanding that at least
10 the Oversight Committee leaders of Congress did basically know
11 major areas of policy determination by the CIA?

12 MR. RUSK: Yes.

13 To what extent, I don't know. I do know that the
14 Director of CIA consulted frequently with Senator Russell, for
15 example. He was the one who had basically handled CIA's budget
16 since he was chairman of the Armed Services Committee and
17 practically chairman of the Appropriations Committee because of
18 the chairman's age, and I know that there were pretty frequent
19 discussions between the two of them.

20 I never sat in on any of those, so I can't testify
21 directly as to what was said. But I had a good many discussions
22 myself with Senator Russell on a good many foreign policy
23 matters, and I never heard him complain about feeling that he
24 needed to be better informed.

25 MR. BELIN: Now, we also discussed the practical fact

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1 of how CIA in your phrase was drawn into things that other
2 agencies might not, or might have done if they had had the
3 money available overtly, but they did not have, and the CIA was
4 drawn in because CIA had the money.

5 Is that a fair summary of our discussion?

6 MR. RUSK: Yes.

7 A good many things that CIA has done over the years
8 could have been done directly, and overtly by the Department of
9 State if the Department of State could have gotten the
10 appropriations.

11 For example, support to the National Student Associ-
12 ation to send delegations to international conferences and
13 things of that sort, activities similar to the activities of
14 the British Council in Great Britain. But the chairman of our
15 Appropriations Subcommittee in the House, Mr. John Rooney,
16 didn't care very much about things cultural and scientific
17 exchanges and U.S.I.D. and the Bureau of Cultural Affairs, and
18 things of that sort, and now here was CIA who was able to come
19 up with the money and so I think some activities sort of
20 gravitated towards CIA because Dick Russell got their money
21 which could have just as well or better been done overtly.

22 I don't know whether the situation can significantly
23 change in that respect, but support of things like Radio Liberty
24 and Radio Free Europe could just as well have been done overtly
25 by the Department of State as they were attempted on a covert

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1 basis by CIA. A good many things of that sort happened because
2 they had the money.

3 MR. BELIN: Secretary Rusk, we also talked about
4 internal executive oversight about CIA and the role of the
5 Director of Central Intelligence, the DCI, as the head of the
6 intelligence community.

7 Do you have any observations concerning the question
8 of executive oversight of the Agency, or any suggestions in that
9 area?

10 MR. RUSK: Well, as I look back on it, I do have
11 one specific and potentially important suggestion. CIA by
12 statute reports to the National Security Council. Of course,
13 the President is the Chairman, and his decisions in the National
14 Security Council are the decisions. There is no voting pro-
15 cedure there. But the statutory members of the National
16 Security Council, in my recollection, never once sat down and
17 looked at the major tables and the budget of the CIA. We were
18 sort of in the intelligence and operational chain of command
19 in a sense, but not in the administration chain of command.

20 I would assume that what happened was that the CIA
21 would take their budget to maybe two or three members of the
22 Bureau of the Budget, and then it would be discussed briefly
23 with the President, and then it would be taken down and
24 discussed with Senator Russell, and that was about the end of
25 it.

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2203

1 In retrospect, I think it would have been helpful if
2 the statutory members of the National Security Council had at
3 least once a year taken a look at the organizational structure
4 and the manning tables and the budget of CIA in order to have
5 a little bit better feel of not only what was going on but what
6 might be going on that they would not normally bump into.

7 So I think that that would be a step, that would be
8 an improvement that would be desirable.

9 MR. BELIN: Now, I want to turn to the area of
10 possible CIA involvement in coup d'etats abroad. Perhaps it is
11 not within our charter specifically, but you made a comment
12 last night concerning your eight years as Secretary of State.

13 MR. RUSK: Well, I have stated publicly, and I have
14 been continuing to scratch my mind for exceptions, I have
15 stated publicly that there was some 82 or so in the world
16 somewhere during the eight years in which I was Secretary of
17 State. That is unconstitutional changes of government.

18 There were substantially larger changes through
19 elections and things of that sort. I don't remember a single one
20 of those that was triggered by or caused by the CIA.

21 MR. BELIN: And by those, you mean coup d'etats?

22 MR. RUSK: Coup d'etat. The coup d'etat.

23 Now, I think one thing that requires a rather careful
24 look, and some rather careful distinctions, the CIA people
25 consider that one of their jobs is to keep in touch with

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1 different elements within a population, and they do have
2 contacts with dissident groups here and there. Sometimes
3 people in our embassies, mostly CIA people, but sometimes on
4 the diplomatic side, get inquiries from dissident groups and
5 various countries as to what the attitude towards the United
6 States would be in the event of a coup d'etat.

7 I tried to get the word established that we would not
8 respond to any such inquiries, partly as a practical matter,
9 because I suspected that many of these were from provocateurs
10 of the governments involved and they were trying to find out
11 what our answer would be to such a question. But I had no
12 doubts the CIA was in touch with dissident groups, and may have
13 at times been buying information from them. But that does not
14 translate in my mind to their calling the shots of it or
15 becoming the boss or directing a coup d'etat.

16 MR. BELIN: In your experience as Secretary of State,
17 were you aware of the practices of other governments and their
18 intelligence, both in this country and abroad?

19 MR. RUSK: Yes. To a very considerable extent.
20 Of course, you always suspect there are practices that you
21 haven't caught up with, but there is a mean, dirty, unsavory,
22 back alley struggle going on in the world in which a good many
23 governments participate, some of them close friends of ours,
24 and most of them, including targets in the United States, because
25 the position of the United States in world affairs is such that

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1 influencing American policy is a major effort on the part of
2 almost every foreign office in the world. Wherever a dispute
3 develops, the parties will each come in to try and get the
4 United States to take their side, and so we are the target of
5 a great deal of effort to find out what we are thinking, to
6 influence our decisions and judgments, and a struggle to
7 undermine some of the things that we are trying to accomplish
8 in the world.

9 MR. BELIN: Were you ever aware, for instance, of
10 forged documents being used to try and put the blame on the
11 CIA for things?

12 MR. RUSK: Well, I think there were two or three
13 instances that I recall. The exact timing and countries I
14 don't recall at this point. It is somewhere in the records
15 where forged documents were planted on African leaders to try
16 to persuade them that CIA was trying to overthrow them.
17 Fortunately, these forgeries were so crude that it was very
18 easy to demonstrate that they were, in fact, forgeries, and I
19 think we were able to satisfy the local chiefs of state that
20 CIA was not trying to overthrow them.

21 But there were all sorts of things. If I could
22 go off the record for a moment?

23 (Discussion off the record.)

24 MR. RUSK: I must confess I am worried about a kind
25 of euphoric and unilateral repeal of the Cold War in this country

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1 these days, because there are those who are out to bring the
2 United States down, and they are working away at it, not only
3 in this country, but in other parts of the world. Whether or
4 not we ought to make that more public, that information public,
5 I think is a major policy question that you gentlemen and those
6 who are carrying present responsibility might want to think
7 about, because there is no question about the fact that these
8 people are conducting such operations, both here and abroad.

9 We did make a decision during the Vietnam affair not
10 to make public what we knew about the activities of certain
11 governments in this country because we knew that there were a
12 lot of opponents to Vietnam, most of them who had no connection
13 with outside governments, who were opposing it for perfectly
14 reasonable, valid considerations, and we did not wish to start
15 another wave of McCarthyism in this country.

16 But anyone who thinks that the Communists were not
17 making every effort to influence American public opinion is just
18 out of his head.

19 MR. GRAY: Sir, did you receive any specific informa-
20 tion of such attempts to influence the young people that were
21 demonstrating against the war, and so on?

22 MR. RUSK: There were bits and pieces occasionally,
23 but at the moment I can't cite one of them in terms of chapter
24 and verse.

25 MR. GRAY: Do you recall whether the CIA had an

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1 estimate as to the extent of any such involvement?

2 MR. RUSK: No.

3 Before we left office in 1969 there had been put
4 together a world, a study of youth movements worldwide, and
5 one of the interesting conclusions of the study was about the
6 only thing these various youth movements had in common was
7 technique, that their objectives varied widely.

8 For example, the young people in Eastern Europe
9 appeared to be reaching out for what could be called the
10 establishment values in the United States. But that study
11 might throw some light on your question, if you can get ahold
12 of it.

13 MR. BELIN: You also mentioned that you thought that
14 attacking the CIA is a built-in process that certain groups
15 including even the Russian intelligence agency might be
16 involved in. Is that an accurate summary of your conversation
17 last night?

18 MR. RUSK: Yes.

19 I think there is a substantial variety of motivations
20 behind attacks on the CIA. I would say first that there have
21 been some failures, and there have been some mistakes on the
22 part of the CIA. Those things will happen among frail human
23 beings. And I cite the Bay of Pigs as one notable and public
24 example, and that has exposed the CIA to some criticism. I
25 think there are interests who are hostile to the United States

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1 that are at work in this field.

2 Anti-CIA propoganda is good propoganda in many parts
3 of the world, and among sections of this country.

4 And then I think there are some personal motivations
5 that I don't care much about, such things as desire to win a
6 Pulitzer Prize or money or a sense of revenge. But I think
7 more broadly, I think this is partly a reaction coming from a
8 swing towards isolationism in this country, which I think is
9 real, as I travel around this country in small and large cities,
10 and again, this is sort of decisions on the part of a lot of
11 people here that somehow the Cold War is over, despite the
12 fact when you look through the world from Southeast Asia through
13 Portugal, Spain, Italy, Greece, Turkey, the Middle East, the
14 Cold War is very much alive, at least from the point of view
15 of the other side.

1b 16 MR. BELIN: In this connection, do you have any
17 specific recommendations as to whether or not this government
18 should make available to the public more information about what
19 other governments are doing, both in this country and abroad,
20 to influence world affairs?

21 MR. RUSK: I think we probably ought to find some way
22 to alert people to the fact that detente does not mean that a
23 new Heaven and earth has been accomplished here on earth, and
24 for example, I object to the use of the term domino theory,
25 and I never used it myself, although President Kennedy seemed

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1 to embrace it on two or three occasions in Press conferences,
2 and originally I believe it was President Eisenhower.

3 To me, the domino theory is a euphenism for something
4 else. The theoretical basis for it is the Marxist doctrine of
5 the world revolution, and we at least ought to talk about it
6 in those terms. Is it there, what are they doing about it, is
7 this still a real matter in the real world, and not obscure it
8 by talking about a power game?

9 And I think that we could do more in that direction.
10 We could be more frank and candid about the differences that
11 still separate us even though it remains important that we try
12 to find points of agreement between ourselves and those who
13 might become our adversaries. I think the process of trying
14 to find points of agreement like the Test Ban Treaty and the
15 Nonproliferation Treaty, the Arms Limitation, the SALT talks
16 and things of that sort, those are absolutely essential, but
17 we ought not to be under an illusion about it, and I am afraid
18 there has been so much illusion around what we are up against,
19 and this is why I feel that the CIA and its capabilities are
20 absolutely vital to the safety of the United States.

21 And I think one of our problems now is how to
22 maintain some capabilities in the present atmosphere and
23 discuss these, and in the face of the various investigations
24 which we anticipate, and the investigative reporting and all
25 of the rest that goes along with it.

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1 MR. BELIN: Secretary Rusk, I want to turn to another
2 area now concerning the allegations of assassination of foreign
3 leaders.

4 Were you ever aware of any plans or proposals to
5 assassinate any foreign leaders?

6 MR. RUSK: No proposal ever came to me seeking my
7 approval for a plan to kill anybody. Now, those are not chosen
8 words. I mean, no proposal ever came before me, period,
9 involving the assassination of a foreign leader, period. Excuse
10 me.

11 MR. BELIN: Go ahead.

12 MR. RUSK: On one occasion, the late great Ambassador
13 Llewellyn Thompson, who was then, I believe our representative
14 on the 303 Committee, I think it was named during that period,
15 came in and more or less in a jocular frame of mind said that
16 he had heard that somebody down the line, and he had not
17 identified the person or the agency, was talking about the
18 possible assassination effort, and I made it absolutely clear
19 to him, and he fully agreed, that political assassination was
20 contrary to the most elementary notions of American foreign
21 policy, and that if we go down that trail, we are in the law
22 of the jungle, and it would be out of control. That was my
23 personal attitude throughout the period.

24 On one other occasion the matter came up in an
25 indirect form which could be, I think, covertly by gossip into

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1 meaning something else. I had heard that Trujillo had been
2 assassinated before the Dominicans had announced it. President
3 Kennedy was then in Paris.

4 I called and got Pierre Salinger on the scene, and
5 he tells about this in his book, by the way.

6 MR. BELIN: He was President Kennedy's Press
7 Secretary?

8 MR. RUSK: He was President Kennedy's Press
9 Secretary, and I told him Trujillo had been assassinated and
10 to keep his mouth shut, because it had not been, it had not
11 been announced.

12 Well, he stubbed his toe and announced it, or
13 referred to it in one of those glancing remarks at a Press
14 conference. My concern was that Trujillo's son was in Paris,
15 that if Trujillo's son heard this announcement first from an
16 American source that he would think that we had something to
17 do with the assassination of Trujillo and might take it out
18 on President Kennedy personally in Paris, and I was concerned
19 about Kennedy's personal safety under those circumstances.

20 But those were the only two things that I remember
21 in the assassination field.

22 MR. BELIN: When Mr. Thompson talk to you about it,
23 did he indicate what potential foreign leader was involved?

24 MR. RUSK: If he did, I just don't remember it.
25 I don't remember it.

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1 MR. BELIN: With particular reference to the Trujillo
2 assassination, do you know of any approval that was ever given
3 by the State Department for American participation with any
4 group that might be involved in overthrowing the government and
5 assassinating Trujillo in the process?

6 MR. RUSK: Well, I knew that our intelligence people
7 were in touch with a variety of Dominican groups, both in the
8 Dominican Republic and abroad, and any one of them would have
9 been glad, I think, to assassinate Trujillo. But I was not
10 aware of any operational involvement of the United States
11 government in his assassination.

12 MR. BELIN: If records were to show any cables going
13 from the State Department under your name to any Ambassador in
14 the Dominican Republic, would you state that those indicated
15 personal knowledge on your part?

16 MR. RUSK: Well --

17 MR. BELIN: And I don't know, by the way, whether or
18 not such cables existed. I am using it as a hypothetical
19 example.

20 MR. RUSK: During my years, over 2,100,000 cables
21 went out of the Department of State with my name signed to them,
22 and I had seen only a tiny fraction of 1 percent of them before
23 they went out. Now, I am responsible, I mean I cannot avoid
24 the responsibility for what was done in a Department of which
25 I was Chief.

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1 In terms of my personal involvement, in the first
2 place I don't recall such cables, but if you could get ahold
3 of the green copies, the original greens of the outgoing
4 cables, if I had seen and approved any of those, they would
5 carry my initials. I always put my initials, small dr, on
6 the cables that I personally approved, and it may be for
7 cryptographic reasons that the State Department doesn't maintain
8 the green copies, I just don't know. But if they have them
9 then you can find out whether I was, in fact, aware of any of
10 those cables.

11 MR. BELIN: Did you have any knowledge concerning the
12 death of President Diem in Vietnam, or did you give any
13 directions?

14 MR. RUSK: No, no directions at all. There was a
15 cable that went out in August, 1963, sent out at a time when
16 President Kennedy, Secretary McNamara, and I, all three, were
17 out of town, and this cable was "cleared" with us on an open
18 telephone. And when George Ball called me, he spoke in very
19 guarded terms and told me that President Kennedy had already
20 approved it.

21 Well, this was on an open telephone and with that
22 kind of information I said use your own judgment, go ahead as
23 far as I am concerned.

24 When the three of us got back to town, we looked at
25 the cable in detail and felt that it went further than we

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1 wanted to go in the direction of Diem must go kind of thinking,
2 and we pulled back on it. Now, we did make an effort in the
3 months immediately following that, to try to persuade President
4 Diem to get his brother Nhu, and Madame Nhu, out of the country.
5 We told the President to send him as Ambassador to Washington, or
6 Paris, or give him any kind of a job that would get him out of
7 the country, because it was his brother, we felt, who was the
8 principal motivator and executor of policies which were rapidly
9 alienating the Buddhists, the military, and the students, and
10 we felt that Brother Nhu was going to bring President Diem down.

11 I do recall very specifically that Ambassador Henry
12 Cabot Lodge had instructions that if a coup should develop,
13 that he should do his best to insure President Diem's personal
14 safety, and, indeed, I understand that on the morning of the day
15 that it was clear that the military was moving, he called up
16 Diem and suggested some arrangements to Diem that would insure
17 his personal safety. Diem refused those suggestions and tried
18 to get off into another part of the country where he thought he
19 had some forces that might be loyal to him, and on the way was
20 captured and killed.

21 MR. BELIN: Is it your testimony, then, that you don't
22 know of any action by this government, or any agency of the
23 government which contributed, directly contributed to the death
24 of Diem?

25 MR. RUSK: It was not the policy of the United States

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1 Government to see that President Diem was assassinated. We
2 had put some pressure on him trying to bring about some changes
3 in his policy, and to separate him from his brother, Nhu. For
4 example, we had made some adjustments in our aid program. We
5 cut back on our aid program. I think you will remember that,
6 General Lemnitzer. And some of that was interpreted by the press,
7 some of whom, by the way, were among the Diem must go group,
8 by the press and by some of the people in South Vietnam, undoubtedly
9 as being indeed, as it was pressure on President Diem, but
10 maybe even they might have read it as a signal that we would
11 be in favor of a coup.

12 MR. BELIN: Secretary Rusk, during your service with
13 the Government, did you ever hear any discussion of the phrase
14 known or called Executive Action Capability, which was defined
15 as a built-in capability to be able to assassinate foreign
16 leaders if it became a policy of this government to do so?

17 MR. RUSK: I don't recall it, no.

18 MR. BELIN: Is there any remembrance on your part of
19 any plan or direction to have a plan to assassinate any Cuban
20 leaders which might include, among others, Fidel Castro?

21 MR. RUSK: I assume that there were a good many Cubans
22 who would have been glad to assassinate Castro, and I also am
23 aware of the fact that the State Department and CIA both were
24 in touch with various dissident Cuban groups. We had been since
25 the Eisenhower administration. But, the specific point of the

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1 assassination of Castro, to my recollection, did not come to me
2 for my attention. I cannot testify that down the line there might
3 not have been some talk of this, but it never came to an action,
4 a policy action judgment or a decision.

5 MR. BELIN: By that you mean the decision to go ahead
6 with the plan?

7 MR. RUSK: That's right.

8 MR. BELIN: There are some documents which the Commission
9 staff has seen which indicate that at a meeting at the State
10 Department on August 10, 1962, which memoranda say that you were
11 present, a meeting of a group known as the Special Operations
12 Group, or the MONGOOSE group, that there was some discussion
13 about the development of a possible plan to assassinate Castro.

14 Do you have any recollection of such a meeting or such
15 discussion?

16 MR. RUSK: I don't, but that doesn't prove very much
17 at this point. I do have an 11:00 o'clock telephone date with
18 my appointment books at the LBJ library to determine whether, in
19 fact, I was at that meeting, and I will report back to you as
20 soon as I can find that out. It is entirely possible. You know,
21 my own personal practice was to do a lot of listening in such
22 groups, but not to get into the decision phase until the President
23 and Secretary McNamara and I were ready to face a decision on the
24 matter, because otherwise you would discourage the considerations
25 of the widest range of possibilities or options that might be

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1 available.

2 Mr. Arthur Schlesinger in his book, Thousand Days, once
3 referred to the fact that I used to sit there in the Cabinet
4 room silent like an old Buddha. Well, that's right, quite
5 right, because in most of those meetings with 30 or 40 people
6 around the room, I did remain silent, and I would see the
7 President either before the meeting or after the meeting and
8 have my talk with him on the subject matter, because I had the
9 feeling that if I sounded off and debated my President in front
10 of these 30 or 35 people, that we would read about it in the
11 New York Times or the Washington Post the next morning. So
12 typically I would sit in a good many meetings without saying
13 very much, but when we got to the point of decision, that was
14 a different matter.

15 MR. BELIN: We also discussed the question of -- well,
16 let me strike that and go back with one other question in this
17 area. As I understand your statement, you have no specific
18 recollection of any such discussions at any meetings. What you
19 do say though is that they might have occurred so far as discussing
20 the possibility, but they did not occur so far as an operational
21 plan approval is concerned?

22 MR. RUSK: Yes. Yes. I am genuinely not trying in any
23 way to be evasive. I do want to say that when I left the
24 Department of State, I took no papers, files, records or memoranda
25 of any sort. I took away my appointments books, which are available

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1 to anyone who wants to see them at the LBJ library, and copies
2 of my income tax returns, and that's it. Everything else was
3 left there. I have had many interviews and discussions with
4 people writing articles, dissertations, books on things, in which
5 I was involved, and I have long since learned, because of the
6 mass of things that happened during those eight years, that my
7 recollection on matters of detail simply isn't all that reliable.
8 The record is there, and as far as I'm concerned, you are welcome
9 to it now over in the State Department or wherever it might be.

10 But, it just means that I just cannot remember every
11 detail of everything that happened. I averaged seeing 25 to 30
12 people for every day for eight years, and that is a good way to
13 help you not to remember a lot of details that you are trying to
14 recapture.

15 MR. BELIN: And I want to now turn to the area of
16 possible oversight of the Agency. One of the concerns of this
17 Commission is recommendations that it might make, and I would like
18 to know whether or not you have any specific recommendations
19 concerning the oversight of the Agency to make it a more responsive
20 and a more effective agency?

21 MR. RUSK: Well, I think the National Security Council
22 could give it more oversight along the lines that I have talked
23 about. I'm not now talking about oversight of "operations,"
24 because I think that that on the whole worked pretty well through
25 the 303 Committee, and the discussions that each of the principals

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1 had with his representative on the 303 Committee. I almost
2 always had a talk, sometimes short, sometimes longer, with my
3 representative on the 303 Committee before a meeting, to take
4 a look at what was on the agenda and to express views on it.
5 But I think that the statutory members of the NSC might take a
6 little closer look at the total operations, the structure, the
7 budget of the CIA, than they have done in the past.

8 MR. GRAY: Sir, for the record, could you state who
9 the statutory members are that you are referring to?

10 MR. RUSK: Well, the President, the Vice President,
11 the Secretary of State, the Secretary of Defense, the Director
12 of the CIA, and then such other officials, such as Cabinet
13 officers who might be called in ad hoc because of the subject
14 matter being discussed. The Secretary of the Treasury was
15 frequently there during my day, and the Attorney General was
16 frequently there during my day.

17 MR. GRAY: During your tenure, how many people beyond
18 the statutory members were normally at NSC meetings, approximately?

19 MR. RUSK: I would think at an NSC meeting there might
20 be as many as 20 to 25 people in the Cabinet room.

21 MR. GRAY: Do you think it would be preferable to
22 cut it down to something more closely approximating the statutory
23 membership as a general matter?

24 MR. RUSK: Not necessarily, provided those 20 or 25
25 people in the room are people who know how to keep their mouth

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1 shut. Now, that is some doing in our kind of government, because
2 I do think that there is danger in considering problems of this
3 sort in too small a group. I mentioned one of the reasons for
4 the mistake of the Bay of Pigs. Another reason was that it was
5 held in such a small circle that the talents and resources of
6 the government were not brought to bear upon the problem, and I
7 am a little concerned about holding these things too closely.

8 For example, in the famous Tuesday luncheon sessions
9 that President Johnson had on Vietnam, there were usually five
10 or six people, the Secretary of State, Secretary of Defense, the
11 Chairman of the Joint Chiefs, the Director of the CIA, a note-
12 taker, plus the President. Occasionally there would be one or two
13 others there.

14 Now, however, each one of us knew what the agenda was
15 going to be, and I would take over with me notes and suggestions
16 from my Department that had been worked on ahead of time for
17 those Tuesday luncheon sessions, and there we did not close off
18 other input. And the Chairman of the Joint Chiefs undoubtedly
19 had talked to the Joint Chiefs, for example, about the items
20 that were coming up, you see.

21 MR. BELIN: General Lemnitzer is nodding his head in
22 agreement, I see, for the record.

23 With regard to this oversight, I think one of the things
24 we talked about last night was the fact that because of the busy
25 job that each of these members of the NSC had, and their own work,

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1 that the oversight should be done perhaps chiefly through deputies.
2 Was that an accurate summary?

3 MR. RUSK: Well, I think a week by week oversight should
4 be exercised by the kind of interdepartmental committee in which
5 senior and trusted deputies would normally be those who would
6 attend meetings, and in the State Department such people as
7 Alexis Johnson and Llewellyn Thompson, people of that seniority
8 and integrity, but I do think the statutory members themselves
9 ought to take a periodic look at the total intelligence community
10 situation, including CIA as well.

11 I am concerned about Congressional oversight. If
12 this isn't handled carefully, it could destroy the CIA and its
13 capabilities. Members of Congress operate under a Constitutional
14 immunity provided by the First Amendment. What they say in
15 Congress is not subject to question in any other place, so
16 basically they are subject only to the possibility of being
17 expelled by the necessary what is it, two thirds vote of their
18 particular houses.

19 Now, that is a most unlikely sanction. There is a
20 precedent in the Congress which I think has worked very well, if
21 the Congress would agree that that is the way they should do it,
22 and that is the Joint Atomic Energy Committee. That Committee
23 is carefully selected, it has facilities and staff which are
24 highly secure, and they do receive the most sensitive kind of
25 information in the nuclear field. I think there are very few

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1 nuclear secrets which that Joint Committee has not had discussed
2 with them. And I do not recall at the moment any significant
3 leak that ever came out of that Committee.

4 Now, if the Congress itself would approach this matter
5 of oversight of the CIA in that mood and spirit, and recognize
6 that you cannot have a CIA involved in espionage and counter-
7 espionage and an occasional political operation somewhere, and
8 have it shouted from the rooftops, then I think some Congressional
9 oversight could be useful.

10 I personally, but I am biased because I am an Executive
11 Branch man, I personally would prefer ex post facto assessment
12 rather than pre-consultation with regard to whether or not a
13 particular thing should be done, because that could raise the
14 question of who makes the decision. You might get, you might
15 get a steady stream of alleged confrontations between a President
16 and some group in the Congress that could cause great difficulty.

17 Could I go off the record just a second?

18 (Discussion off the record.)

19 MR. RUSK: The Congress is the representative branch
20 of the government only for those functions given to the Congress
21 under the Constitution. The President is the representative
22 branch of the government with respect to the duties assigned to
23 the President, and so I see no particular reason why we have to
24 say that the Congress has to participate in everything, nor is
25 the Congress particularly willing to do it. For example, on

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1 the question of amnesty, vitally affected one of the most important
2 powers of the Congress, the power to raise armies, and in a period
3 when the Congress was asserting its desire to re-establish its
4 authority under the Constitution, did anyone in the Congress say
5 that they ought to have participated in the amnesty decision?
6 Not at all because it was a no win situation. Whatever the
7 decision was, you were going to come out behind.

8 So I don't know whether the Congress -- on one occasion
9 I invited a subcommittee of the Appropriations Committee to come
10 down to the State Department on a very private basis to take a
11 look at some of the technology of the espionage and counter-
12 espionage, and we showed them a good many gadgets, and how
13 various things operate, and it was pretty startling to them. And
14 afterwards, at least two of them said to me, we appreciate your
15 motivation in inviting us down here, but I'm sorry you did it
16 because we don't want to know.

17 Now, how much of this kind of thing does the Congress
18 really want to know when you start to peel the peeling off the
19 banana? My guess is most of them would prefer not to know some of
20 these things and have a chance to quarrel about it later if they
21 want to.

22 MR. CONNOR: May I ask one question in this connection?
23 Even though generally speaking you think that a joint Congressional
24 committee with oversight functions with respect to the CIA should
25 have only a post-audit responsibility, are there some situations,

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1 such as the covert operations in the United States and elsewhere,
2 that preceded the Bay of Pigs actions, where because of the
3 magnitude and because of the foreign policy implications, and
4 because of the possible direct war involvement, that there should
5 be a preclearance?

6 MR. RUSK: Yes. I think there would be situations where
7 prior consultation would be important. My guess is that had there
8 been prior consultation on the Bay of Pigs, that that might have
9 helped us avoid a very serious mistake. President Kennedy did
10 talk to Senator Fulbright about it, and also talked to the
11 Vice President Lyndon Johnson about it, both of whom were opposed
12 to the Bay of Pigs. And so I think there are some, there would
13 be some things where preconsultation would be very, very much
14 in point. I was concerned about the notion that somehow you could
15 not do anything without prior consultation and the consent of
16 representatives of the Congress, because very often you just
17 don't have time.

18 MR. GRAY: It's 11:00 o'clock, sir.

19 MR. RUSK: I wonder if we could pause for two minutes
20 while I try to establish the point of where I was on August 10th.

21 (A brief recess was taken.)

22 MR. RUSK: I can confirm that there was a meeting in
23 my conference room on the afternoon of August 10th, 1962, at which
24 I was present. There were about a dozen people there, and my
25 appointment book shows names of those who were there. I have

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1 asked them to photostat that page, and I will get it to you as
2 quickly as possible. It does not show that General Lansdale
3 was there, but he might have been. The list might have been
4 incomplete.

5 MR. BELIN: Your appointment book will show the members
6 present on that?

7 MR. RUSK: McNamara, McCone, George Ball, and there
8 were about ten or twelve there.

9 MR. BELIN: Secretary Rusk, we were talking about
10 oversight, and I would like to ask you to discuss with the
11 Commission a summary of what we talked about last night concerning
12 your observations of the kind of a person that should be the
13 Director of Central Intelligence, with a particular reference
14 to internal oversight.

15 MR. RUSK: Well, I do believe that any agency which
16 is involved with what I would call raw power must be a highly
17 disciplined agency and from the President on down. I think the
18 quality and character of the persons who are directors of CIA
19 and directors of FBI are very important indeed. However, I would
20 not rely entirely on that. I would myself urge that they be
21 put on terms of office of not more than say eight years, but,
22 of course, subject to the pleasure of the President for periods
23 shorter than that, because I think it is very important that
24 there not be individuals who are in a position to develop power
25 that somehow is not subject to the normal controls of the people

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1 who are elected, the President and the Congress.

2 I don't want to speak unduly badly of the dead, but
3 I think we allowed Mr. J. Edgar Hoover to develop just too much
4 power, and we ought to rotate those offices, and that that would
5 have a wholesome influence on the way they conduct their offices.
6 I don't see any way in which one can through organizational
7 structure or mechanics get complete protection against an
8 occasional incident of pure indiscipline down the line. That
9 is present in every large organization in our society, public
10 and private, and so occasionally things like that will happen.
11 But I think the quality is of great importance, and I think that
12 during the period that I was there, I felt myself very fortunate
13 in the men that were serving as Director of CIA.

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1 MR. BELIN: You mentioned that among the restrictions
2 you would include, in addition to a maximum number of years
3 that a person could serve in a position of this kind was the
4 question of whether or not the DCI should be the brother of
5 the Secretary of State, or for that matter, the Attorney
6 General should be the brother of the President.

7 Do you have any observations along those lines?

8 MR. RUSK: Yes, I have, for what they are worth.
9 I may be wrong, but I am clear. I think that the members of
10 the National Security Council ought, in personal terms, to be
11 at arms length with the Director of the CIA and the Director
12 of the FBI. I don't think that it was a particularly good
13 idea to have the Director of CIA and the Secretary of State
14 as brothers. This is something George Marshall taught most
15 of those who worked with him, to keep a kind of an arm's
16 length from people above you and below you, because you don't
17 want personal relationships to interfere with public duty.
18 And he is very special on that particular point.

19 I am sorry I didn't --

20 MR. BELIN: The other aspect was with regard to the
21 Department of Justice, the Attorney General and the President.

22 MR. RUSK: Oh, yes. You know, it is kind of
23 traditional in this post-War period that the Secretary of
24 State, the Secretary of Defense and the Secretary of Treasury
25 remove themselves from party politics because the issues they

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1 deal with are supposed to be and expected to be largely
2 nonpartisan in character. I think our recent experience has
3 indicated that it would be a good idea for the Attorney
4 General to be added to that group, and that the Attorney
5 General not be someone who is actively involved in party
6 politics as the principal law officer of this government.

7 MR. CONNOR: Or a member of the family of the
8 President, say?

9 MR. RUSK: I would think almost any other Cabinet
10 job would be more appropriate for a member of the family of
11 the President than the Attorney General or the Secretary of
12 State and Secretary of Defense.

13 MR. KIRKLAND: How do you feel, Mr. Secretary, about
14 the question of whether the DCI should be a career intelligence
15 officer, perhaps?

16 MR. RUSK: My feeling on that is a little bit like
17 my attitude to what extent Ambassadors should be drawn from
18 career members of the foreign service, that you ought to try
19 and find the best man that you can. There may be times when
20 that person would be a career man, there may be other times
21 when he would come from the outside, and I would a little bit
22 rather not try to generalize on that particular point, because
23 you really ought to find the best man you can get for the
24 job.

25 MR. KIRKLAND: If one of the problems confronting

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1 the Director is substantial White House pressure to do things
2 that might not be prudent, do you think someone who had an
3 independent reputation or means of livelihood might be in a
4 better position to protect the Agency?

5 MR. RUSK: I doubt that it would turn on money. At
6 one period -- I don't know whether they still do it -- but at
7 the moment anyone enters the Dutch Cabinet, from that moment
8 on they are guaranteed a full year's salary when they leave
9 the Cabinet, and one of my Dutch friends referred to this as
10 the Go to Hell fund, and one reason was to try to increase the
11 sense of independence of the Cabinet members.

12 I doubt that would make all that much difference in
13 the face of the Director of the CIA. I do believe that it is
14 very important that we distinguish between the White House and
15 the President. During my period, I tried to get my colleagues
16 into the frame of mind so that if some staff person from the
17 White House called over there and said that the White House
18 would like for you to do this, then they were supposed to go
19 back and say who at the White House. It is one thing if they
20 were literally conveying a message from the President and quite
21 another thing if they were not, because I was old-fashioned
22 enough to believe that if it was not a President speaking on
23 foreign policy that I was the spokesman for foreign policy.

24 And so I think we ought to be careful about people
25 in the White House junior to the President asserting any kind

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1 of command role, or supervisory role, or directive role, with
2 regard to either the CIA or the FBI.

3 Now, I do not think we should try to remove a
4 President from that role, but my guess is that office has been
5 immunized for at least another century against abuse of that
6 command.

7 MR. CONNOR: Mr. Secretary, along those lines, do
8 you think that it is wise for the same person to hold the
9 position of Secretary of State and Assistant to the President
10 for International or for National Security matters?

11 MR. RUSK: Well, that would not be my choice. I have
12 taken the liberty of reminding Mr. Kissinger that he had
13 learned while he was at the White House that a Secretary of
14 State must not permit a Henry Kissinger to be in the White
15 House, and I suspect that that has something to do with his
16 present arrangements. We had a very good personal working
17 relationship in that three-corned arrangement, the President,
18 McGeorge Bundy and myself as far as foreign policy matters
19 was concerned, and later with President Johnson and Walt
20 Rostow.

21 Well, it is important. Dean Acheson once said in the
22 relations with the President and the Secretary of State, that
23 it was of the utmost importance that both of them understand
24 at all times which one of them is President. If that adviser
25 on National Security Affairs in the White House, and the

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1 Secretary of State and the President, all three, have an
2 adequate and an honorable working relationship on a basis of
3 integrity in dealing with each other, there should not be any
4 problems developing.

5 MR. CONNOR: Going back to a related question of the
6 role of the Attorney General, was Attorney General Robert
7 Kennedy present at that meeting in your office to which you
8 referred?

9 MR. RUSK: I don't think he was. I don't recall him
10 as being on the list, but I will have the list, and I will get
11 it to the Commission.

12 MR. CONNOR: Was he personally involved in many of
13 these policy questions having to do with the Cuban situation?

14 MR. RUSK: He would sit from time to time with the
15 303 Committee, and occasionally would make suggestions, some
16 of them good, and some of them that I vetoed. But he was
17 sort of interested in, you know, counterinsurgency and that
18 kind of thing, and President Kennedy asked me to let him serve
19 on the 303 Committee. But I always felt free to take up any
20 problems if I needed to with President Kennedy himself.

21 MR. KIRKLAND: Are you aware of any independent
22 contacts or relationships that he had with the CIA?

23 MR. RUSK: No, and it is very hard for me to dig into
24 that particular point, because the three key people who would
25 know about that are dead, President Kennedy, Robert Kennedy and

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1 Allen Dulles. But I would be surprised and disappointed if
2 President Kennedy, for example, had any kind of understanding
3 with Mr. Dulles that very much affected our foreign policy
4 without the knowledge of the Secretary of State. I can't
5 swear that that was not so, obviously, because we are talking
6 about a negative here. But I didn't get the impression that
7 such a channel was operating.

8 MR. BELIN: Were there some meetings that Allen
9 Dulles might have had with President Kennedy that you did not
10 know about?

11 MR. RUSK: Oh, I am sure he dropped in on him
12 occasionally for some additional briefings on different
13 situations, and I am sure, I know that J. Edgar Hoover used to
14 go into see the President, or the two Presidents that I served,
15 occasionally on his own to report on various things. So the
16 answer to that is yes.

17 MR. BELIN: To follow up with J. Edgar Hoover, one
18 comment you made concerning a maximum term of service, I
19 believe in our discussions last night you said that one of the
20 major concerns you had was the possibility that if an agency
21 like the FBI or CIA would be able to terrorize others,
22 including possibly members of Congress.

23 MR. RUSK: Well, again I am not sure I am right on
24 this, but I have developed over the years a strong aversion to
25 monopoly of sources of information on important matters. And I

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1 am a little concerned to have all information in the Federal
2 government on internal security matters come through one agency
3 and one head of that agency. I am just a little worried about
4 the need for a little more diversity. I don't quite know how
5 to work this out, but I would be reluctant to have one man
6 play a decisive role in making judgments about internal
7 security problems in this country.

8 Now, one answer to that might be, and I defer to a
9 member of your Commission, might be closer and more effective
10 supervision by the Attorney General of the FBI and closer and
11 more effective supervision by the CIA by the statutory members
12 of the National Security Council.

13 MR. BELIN: Secretary Rusk, last night we talked
14 about your concern that the intelligence community must be
15 urged to have priorities in its job to reflect the regional
16 trends of American foreign policy so that they don't always
17 develop an insatiable appetite for information on everything that
18 might not be relevant to American foreign policy.

19 MR. RUSK: Well, I am aware of the fact that there
20 has been discussion of priorities from time to time, and we do,
21 in fact, use the concept of priorities in terms of the
22 expenditures of resources both in people and money. But I
23 think we might, we might press that further and be somewhat
24 more restrictive in the types of activities that are conducted
25 in particular countries. I mean, it doesn't make much difference

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1 to the United States, for example, as to what happens in
2 Burundi. I do not know how much effort they are putting into
3 Burundi, but they shouldn't be doing it because it's there and
4 we need a book full of information on Burundi. We ought to do
5 it as a direct instrument of foreign policy rather than some
6 momentum of the intelligence community working on its own.

7 (Discussion off the record.)

8 MR. RUSK: I think there is a need for supervision of
9 intelligence activities by policy officers who themselves ought
10 to make some policy judgments about the kinds of intelligence
11 that are useful rather than leave this question to the
12 insatiability of an intelligence community for whom no amount
13 of information is superfluous.

14 So I think every year or so there ought to be careful
15 thought to priorities and directions, and maybe types of
16 activities.

17 MR. BELIN: Now, Secretary Rusk, one comment you made
18 last night concerned your observations about the very fact that
19 in our country people write books about the CIA.

20 MR. RUSK: Well, I would not wish to be pressed to
21 name individual countries, but I think one of the tributes to
22 the constitutionality of our system is that people can work in
23 these agencies and then go out and write books about them and
24 survive. In most countries I know if that happened they would
25 be struck down by a truck, run over in the countryside, and

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1 that would be the end of it.

2 But they do that here, they write best sellers. Well,
3 it is a very troublesome thing when you get into this kind of
4 kiss and tell writing in this particular field, and it is a
5 danger to which the intelligence community, I suppose, is
6 inevitably exposed to.

7 MR. BELIN: Do you feel there should be greater
8 restrictions on the contractual enforcement of Agency contracts
9 with employees not to divulge such information?

10 MR. RUSK: Well, I have suggested that you get ahold
11 of the departure statement which I signed with the Department
12 of State. It is very far-reaching in terms of my pledge with
13 respect to the kinds of information that I in the first place
14 would not take away with me, and secondly would not reveal,
15 and it cites about twenty sections of the U.S. Code which
16 purport to provide the statutory back-up for the requirements
17 that they cited in that statement. Whether they still use it
18 after the Freedom of Information Act, I just don't know.
19 But I do think there is a very important problem here about
20 whose information it is when people come in and work in
21 sensitive jobs in government. There is still confusion, as I
22 understand it, about whose it is. I mean, what about people
23 who squirrel away in their attics classified material, take
24 them off with them, and I gather now when they die those papers
25 become the properties of their families. I think my own feeling

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1 is that if it is not clear, if it is clear in the statutes
2 they ought to be forced, and if it is not clear, then it ought
3 to be clarified by statute as to whose information it is when
4 one is working in a government department, particularly in
5 sensitive departments, and obtain such material. This is one
6 of the messy fringes on our situation which I think we haven't
7 straightened out carefully enough.

8 MR. BELIN: Another comment you had from an overall
9 basis about the CIA was that because of its origin with the
10 OSS, that might have affected the type of activities to which
11 the Agency addressed itself in peacetime. Do you have any
12 comments on that?

13 MR. RUSK: Well, this has a bearing, I think, not
14 only on what people thought at the time that the National
15 Security Act of 1947, as enacted, was, but also a good many of
16 the personnel in CIA were brought over from OSS, and it may
17 well be that some of the activities that they conducted during
18 war time appeared to be entirely appropriate in a Cold War
19 situation. But I think also that they were even more influenced
20 by the events of the immediate post-War period.

21 We had reduced our armed forces to a point where the
22 Joint Chiefs of Staff told me in 1946 that we did not have a
23 division in our Army, not a group in our Air Force, that could
24 be rated ready for combat. Our ships were being put in moth-
25 balls as fast as we could find berths for them, and those that

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1 remained afloat were manned by skeleton crews. Our Defense
2 Budget in '47, '48 was coming down, came down to almost \$11
3 billion, \$11.3 billion, on its way down to a target of \$10
4 billion. During that period, Joseph Stalin, looking out across
5 the West, and not seeing any divisions, tried to keep the
6 northwest province of Iran, demanded the two eastern provinces
7 of Turkey, he ignored the peace treaty with the countries of
8 Eastern Europe with respect to free elections and their political
9 future, and he gave support to the guerrillas going to Greece,
10 he pulled the coup d'etat in Czechoslovakia, he barricaded
11 Berlin, and he gave the principal go ahead light for the North
12 Koreans to go after South Koreans.

13 Now, that was the origin of the Cold War, but all of
14 the revisions of historians are to the contrary, but that's
15 another story. But in that kind of an atmosphere it is
16 understandable that the United States government and the CIA
17 consider that we were in a pretty embattled situation. It was
18 not until about 1950 under the leadership of the Secretary of
19 State, and against the opposition of the then-Secretary of
20 Defense that we began to build up our armed forces again.

21 Now, this still is a pretty rough world situation and
22 if there are ways in which we can do things by covert means that
23 would hold off the time when we might have to consider whether
24 you use major military means, I think we ought to maintain
25 that capability. And I can never generalize against CIA-type

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1 activities, because I was a student in Germany and watched the
2 storm troopers take the public platforms and the streets away
3 from the democratic parties of Germany. And I would have
4 been delighted in those days if there had been CIA's in
5 Britain and France and the United States that could have come
6 in there and found ways to help the democratic parties of
7 Germany, and the failure to do so resulted in 50 million
8 people being killed.

9 So I feel very strongly that although we ought to,
10 that a President, Secretary of State, and Secretary of Defense
11 must keep this sort of thing very much under control and take
12 responsibility for it, that we must have this capability.

13 MR. BELIN: Do you have any observations concerning
14 the effectiveness or any possible changes in the President's
15 Foreign Intelligence Advisory Board as an oversight vehicle or
16 a related vehicle to CIA?

17 MR. RUSK: Well, I don't want to do a disservice to
18 people who have rendered dedicated service. I have had the
19 impression over the years the Foreign Intelligence Advisory
20 Board gets to be more gung-ho than anybody else, and that
21 sometimes some of these things are urged by the Foreign
22 Intelligence Advisory Board which operationally may not make
23 much sense. So I think that it is all right to have then
24 advise, but they should not be permitted to make the decisions
25 or to influence the decisions unduly.

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1 MR. BELIN: In your opinion, are they an effective
2 oversight agency at the present time?

3 MR. RUSK: Oh, I don't think they are effective,
4 at least in my experience they have not been effective in the
5 kind of oversight that is really needed. And I think the
6 oversight should be given by those who are in positions
7 established by our Constitution and statutes, the President,
8 and the Secretary of State, and the Secretary of Defense.

9 MR. BELIN: Secretary Rusk, there have been recent
10 allegations that the CIA was in some way involved with Lee
11 Harvey Oswald. There have been also allegations that perhaps
12 the State Department did not send over to the Warren Commission
13 all of its files concerning Oswald and particularly about his
14 trips abroad.

15 Do you have any comments concerning either of these
16 allegations?

17 MR. RUSK: Well I never heard of Lee Harvey Oswald
18 until the assassination, and we went through what I thought
19 was a very intensive and thorough examination of the question
20 as to whether any foreign government might have been involved
21 with Lee Harvey Oswald, because that could have been an issue
22 of war and peace.

23 Now, I personally was convinced that there was no
24 indication that any foreign government was involved, and so
25 testified to the Warren Commission, and my testimony is

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1 available to you.

2 I have never had any, the slightest reason to believe,
3 that Lee Harvey Oswald was working for or pursuant to anything
4 that came out of CIA whatever, and I must say, I really believe
5 that anyone who charges that anyone in the United States
6 government was involved in the assassination of Kennedy without
7 hard proof is guilty of just sheer evil.

8 MR. BELIN: Did you ever come across any information
9 in any manner whatsoever that indicated that Oswald was in
10 any way connected with the FBI?

11 MR. RUSK: No.

12 Let me say that we did know of his travels and things
13 of that sort. I am a little shocked to hear that there were
14 materials in the State Department that were not turned over
15 to the Warren Commission, because the order was to turn them
16 all over.

17 MR. BELIN: When you say you were shocked to hear,
18 you mean shocked that the allegation is that?

19 MR. RUSK: Shocked by the allegations, yes.

20 MR. BELIN: To your knowledge, was there any
21 materials that were ever in the State Department files or any
22 other government files that you know of that were not turned
23 over?

24 MR. RUSK: Not to my knowledge, but sometimes when
25 you are desperately looking for a piece of paper, it is often

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1 very hard to find it, and it is entirely possible that whatever
2 the instructions might have been that there might have been
3 something lying around and somebody didn't transmit it. Whether
4 Whether this was simply through bureaucratic clumsiness or
5 whether it was through indiscipline, I just can't say.

6 MR. GRAY: Mr. Secretary, one point that came up last
7 night was the question of oversight of CIA collection efforts.
8 Now, the covert action is supervised by what was then the 303
9 Committee, and you testified that some sensitive or potentially
10 risky types of collections were presented to you and other
11 members of the Administration.

12 What about the day to day overseas collection by
13 clandestine techniques, is there any supervision outside of the
14 CIA of that?

15 MR. RUSK: I don't believe that it is necessary for
16 the President and Cabinet officers to get into the details of
17 collection, unless they involve methods and techniques which
18 could raise major issues of policy.

19 In other words, I don't think we need to know who are
20 the agents and things of that sort. I do think that the
21 Director of the CIA ought to be in charge of his own shop, and
22 I ought to think that each one of our Ambassadors abroad ought
23 to have complete access to whatever is being done in the country
24 to which they are assigned by any representative of the United
25 States government.

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1 President Kennedy wrote a letter to all Ambassadors
2 on that particular subject. Now, as I checked around among
3 different Ambassadors, a good many of them exercised that
4 right under that letter. There were others who simply didn't
5 because they didn't think it was worthwhile or necessary, or
6 things of that sort.

7 (Discussion off the record.)

8 MR. GRAY: Now, when the CIA has agents or sources
9 of information in this country, whether because they are, let
10 us say foreign diplomats, or in situations such as you had in
11 the Miami area with the Cuban emigre community, is there
12 anyone in a position comparable to that of the Ambassador
13 overseas who is outside of CIA and can monitor this day to day
14 activity, to your knowledge?

15 MR. RUSK: I think not in detail.

16 MR. GRAY: Would you think that there should be?

17 MR. RUSK: No more than anyone outside of the
18 Department monitored these thousands of cables a day that go
19 out of the Department of State.

20 MR. GRAY: Would you think that there should be some
21 need for supervision of that kind of activity?

22 MR. RUSK: Well, it would require -- one man couldn't
23 do it. It would require substantial staff and, well, who is
24 that staff? To whom is he going to report? I just don't
25 think that is too much of a problem, actually.

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1 MR. BELIN: With regards to the question of staff,
2 do you think a Joint Committee of Congress might have too
3 powerful a staff so far as the effective operation of the
4 Agency is concerned if we were to adopt that approach of
5 Congressional oversight?

6 MR. RUSK: Well, if they approach it on the same
7 basis as they approached the Joint Atomic Energy Committee, I
8 think that would not be all that much of a problem.

9 MR. BELIN: You mentioned the Miami area. To your
10 knowledge, did Castro had any penetration of what went on in
11 the Cuban exile community in Miami?

12 MR. RUSK: I forget the detailed evidence, but I
13 always assumed that he did have them penetrated.

14 MR. BELIN: Are there any questions by any members
15 of the Commission?

16 MR. GRISWOLD: One of the things that has come to us
17 is the explanation for some of the things which the CIA did
18 from 1966 to 1973 domestically which had caused concern with
19 a result of pressures from the President.

20 Now, how can the CIA be guarded against pressures
21 from the President? I recognize this is an extraordinarily
22 difficult question.

23 MR. RUSK: It is a difficult question, and in trying
24 to find the right answer to that question you don't want to
25 create a situation where CIA is independent of the President.

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1 MR. GRISWOLD: Right.

2 MR. RUSK: So you have to start with the kind of man
3 you have as President. However, I think that --

4 MR. GRISWOLD: And I took the time period in to
5 indicate both Presidents so that it is not a political question.

6 MR. RUSK: Right.

7 I would think that the key to that would be that
8 such questions should be discussed by the statutory members
9 of the National Security Council. It would be very difficult
10 for a President to abuse his powers with people sitting there
11 who have a sense of the tradition of their office and who
12 can pull a President up by the coattails and say, now, wait
13 a minute, now this is out of bounds, let's don't go down that
14 trail.

15 MR. GRISWOLD: What about the Bay of Pigs operation?

16 MR. RUSK: Well, some of us did not serve President
17 Kennedy did not serve President Kennedy very well on that,
18 because of just that factor. For example -- well, we were all
19 new in our relations with each other, but in retrospect I should
20 have insisted that a crucial question be asked of the Joint
21 Chiefs of Staff and that is, if you were going to do this
22 operation with American forces, what would you consider your
23 requirements to be? And that is, ask the Joint Chiefs to come
24 up with a plan to do this same operation with American forces.
25 And I can guarantee you that what they would say would have

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1 been necessary for the job would have been in such sharp
2 contrast to the capabilities of this brigade that that itself
3 might well have squashed the whole thing. Since this was a
4 CIA operation, I think the Joint Chiefs were perhaps a little
5 timid -- well, no, let's put it the other way. They were not
6 asked for the kind of professional military judgment to which
7 the President should have been exposed. They did comment on
8 it but in a rather, I thought at the time a somewhat casual
9 way, because it was not strictly their business, you see.

10 Now, I think we learn a lot of mistakes in a very
11 hard way with the Bay of Pigs, and I think that some of those,
12 some of the reasons for that mistake ought to be impressed
13 upon people's minds just as the mistakes made under the general
14 situation called Watergate.

15 MR. BELIN: Do you mean to imply that the military
16 should have taken over the operation?

17 MR. RUSK: No, no. No, no. But a seasoned,
18 professional military judgment on the point as to whether such
19 a brigade had the chance of a snowflake in hell.

20 MR. KIRKLAND: Do you think there is a built-in
21 tendency in the CIA, with the background of the way this was
22 evolved, toward a degree of adventurism which needs fairly
23 severe checking?

24 MR. RUSK: It is possible that at different periods
25 there might have been those who were too much the eager

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1 beavers, but my concern now is that they have had the
2 daylights scared out of them and they will crawl off under
3 their shells and will be too timid.

4 MR. BELIN: Dr. Shannon, I believe you had a
5 question?

6 DR. SHANNON: Yes.

7 I wondered, you said that this is on covert activities,
8 and again, this is only partially a responsibility of this
9 Committee, but it does affect our concerns, because the
10 back-up for the covert activities very often has domestic
11 implications. So I wonder, you say we should keep this
12 capability, yet apparently originally it resided, right after
13 the Second World War, in the State Department, and the
14 suggestion has been made that perhaps a small, covert capability
15 could be in the State Department, and that this would perhaps
16 help the CIA if it were rid of covert business to concentrate
17 on intelligence.

18 Do you have any views on this?

19 MR. RUSK: Well, it is very hard for us to lose an
20 organization in our governmental structure, to tuck it away
21 where nobody hears about it and it doesn't come before
22 parliamentary review and things of that sort. And maybe we
23 should have tried that at the beginning, because so much of
24 CIA's activities are for all practical purposes overt, and
25 maybe we might have had something called a Central Information

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1 Agency, and then tucked something away somewhere that would
2 be as secret as some of those agencies in other governments
3 that operate in this field. But I just don't know whether
4 that would work in our particular, complicated, Constitutional
5 system where the powers of Congress are always involved, and
6 it is difficult for us to hide things away.

7 MR. SHANNON: I have a couple of more questions, if
8 I may.

9 MR. BELIN: Go ahead, and then General Lemnitzer has
10 some.

11 MR. SHANNON: Do you have any views as to the general,
12 without going into specifics, the general aspect of domestic
13 activities of the CIA? And clearly, one of the problems with
14 this Commission is the clear and conflicting, well, clear, clear
15 necessity of intelligence and secrecy on the one hand, but
16 conflicting claims of constitutional rights and civil rights
17 for individual citizens of the United States.

18 MR. RUSK: It seems to me, sir, that they are two
19 different questions. One is the bureaucratic question as to
20 whether one agency is intruding onto the proper responsibilities
21 of another agency. To me, that is not all that much of a big
22 deal, and that occurs all of the time all over government, and
23 I am sure that the FBI has stepped outside of its assignment
24 occasionally.

25 But the other question you have mentioned, the

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1 question of the Constitutional rights of American citizens,
2 from whatever source, I think is very important. Last year I
3 testified before Senator Muskie's Committee in which I
4 expressed some doubt about subjecting all surveillance type
5 activities of the unusual type to the supervision of the
6 courts in this country on the ground that I was a little troubled
7 about the idea of getting the judges into this kind of
8 business, because it is a mean and dirty business.

9 Since then, I have rather changed my mind, and I
10 am inclined to think that where the government feels that there
11 must be the types of surveillance which could intrude on
12 constitutional rights, that for whatever it might be, foreign
13 policy, national security or otherwise for American citizens
14 and resident aliens, that that should be done under the
15 supervision of a court.

16 Now, it is going to be difficult to state that in
17 such a way as to exclude the diplomatic community, and I do
18 not think we want to extend constitutional rights to the
19 diplomatic community, because they do not have the duties of
20 citizenship to go along with it.

21 MR. SHANNON: One other quick one here. I don't
22 want to pre-empt the General, who has something, but you
23 mentioned the CIA sometimes, you believe, got into some
24 activities that were questionable because they had the money.
25 They are exempted, essentially, from a number of the accounting

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1 responsibilities of other Federal agencies.

2 Is this essential to their functions, or do you
3 believe that some regular appropriation control over them
4 similar to the State Department and other would be possible
5 without destroying their role?

6 MR. RUSK: I am inclined to think that at least part
7 of the CIA budget ought not to be on the public record. It
8 may be that there is a part of it that can be, but I think there
9 ought to be some covert money that is available to the CIA
10 handled by people in the Congress who understand what is being
11 done and the need for this for covert funds.

12 I personally would not like to see this handled in
13 the normal budgetary processes of the government. And for
14 example, we give away an enormous amount of information every
15 year in these large budget presentations of the Department of
16 Defense to the Congress, and I think certainly in the
17 sensitive agencies we overdo public knowledge to some extent.

18 MR. LEMNITZER: We have had a suggestion that if the
19 government continues to support covert operations that the
20 covert operations should be removed from the CIA and put in a
21 central intelligence group, which was the arrangement in the
22 early days between the transition from OSS to CIA.

23 Do you think such an arrangement would solve any of
24 the problems that are involved in carrying out effective covert
25 operations?

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1 MR. RUSK: I can imagine there could be some
2 advantage to a reorganization that would change the names all
3 around, because CIA has gotten to be a kind of a slogan for
4 propoganda, both overseas and at home. And sometimes a fresh
5 start might help in that regard.

6 But I don't believe that you would divert energetic
7 and opposition Congressmen or investigative reporters or any
8 people of that sort from trying to locate whatever it is we
9 are talking about, and I am sure they would discover it. The
10 simple fact is that we are a government that just doesn't know
11 how to keep our mouths shut, and so I don't think you are going
12 to succeed in hiding some such agency. But I can see that it
13 might be desirable at some point to start over and change the
14 names.

15 As you recall, in the foreign aid business we have
16 changed the name about every four or five years, when it runs
17 out of gas and needs a fresh start. And so I think we could
18 do it again.

19 MR. BELIN: Secretary Connor, do you have any other
20 question?

21 Do you have more, General?

22 MR. LEMNITZER: No.

23 MR. CONNOR: Mr. Secretary, we have received evidence
24 about a feud that developed between the FBI and the CIA when
25 J. Edgar Hoover was the FBI Director. And the testimony

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1 indicates that under his instructions there was a lack of
2 effective cooperation between the FBI and the CIA, at least
3 in certain respects during a period of time, and, therefore,
4 there was pressure on the CIA to do some things in the domestic
5 field that otherwise would have been done by the FBI or by
6 joint action.

7 I wonder if in light of that experience, of which I
8 am sure you are aware, you would have any recommendations for
9 a clear delineation of responsibilities as between the FBI and
10 the CIA, and particularly with respect to what is done in the
11 United States?

12 MR. RUSK: Well, I can understand why some confusion
13 might have arisen because the Director of Central Intelligence
14 is also the Director of Central Intelligence for the community
15 as a whole, and we used to get daily reports from the CIA which
16 were all source reports. I mean, I could recognize a good many
17 of these reports as coming out of State Department cables, for
18 example, and I knew others probably came from the FBI.

19 Now, it may well be that that coordinating function of
20 DCI led to some staff support in his own agency on some of
21 these, what some people might call internal security questions.
22 But I think a more important point is if you try to assign
23 functions, it is very hard to do it in terms of geography,
24 because espionage and counterespionage is a problem that exists
25 in the United States as well as abroad. It is very hard to say

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1 that as soon as you hit the boundary of the United States you
2 transfer the whole business from one operation to another,
3 because I think you run into a good deal of trouble that way.

4 It is true that there was some lack of effective
5 cooperation between the CIA and the FBI at times, and this is
6 partly a matter of personality, and is one of the reasons that
7 I feel that these people ought to be on terms not to exceed
8 eight years. I testified to Senator Muskie's Subcommittee that
9 talking to J. Edgar Hoover was about like talking to President
10 DeGaulle, and, you know, there is only one DeGaulle and there
11 is only one J. Edgar Hoover, so I anticipate this problem is
12 not going to be repeated any time soon.

13 But, I do think that there ought to be a close
14 working relationship.

15 Now bear in mind, gentlemen, that there is a very
16 lively and active exchange of information between different
17 elements of the intelligence community, and I have no doubt
18 that other agencies have built up files which include a lot of
19 raw data from the FBI, even though it was not in that agency's
20 principal charter to have, or to collect, that kind of
21 information. For example, in the State Department where 95
22 percent of our jobs, at least, are rated as sensitive, there
23 is investigation of applicants, many of whom are not hired.
24 There is investigation of officers on the job. That is
25 renewed, I think, every five years to bring their security

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1 clearances up to date. Every time you move from one security
2 clearance to another, you get another investigation. There
3 must be tens of thousands of files on individuals in the State
4 Department, but a lot of that material is from the FBI.

5 So I think, if we could -- I think we have an
6 opportunity now to develop a more cooperative working relation-
7 ship within the intelligence community, and make it clear that
8 CIA is not responsible for what would normally be interpreted
9 to be internal security, but I would not exclude CIA from a
10 lively interest in the operations of foreign governments in this
11 country, because you cannot separate those from their activities
12 abroad.

13 MR. BELIN: Dean Griswold?

14 MR. GRISWOLD: Were you familiar with the fact that
15 mail between the Soviet Union and the United States was being
16 intercepted and opened during all of the time you were
17 Secretary of State?

18 MR. RUSK: I think I was of the fact. I didn't know
19 to what extent, and I think we did make some adjustments there
20 to relax on a good many publications and things of that sort
21 where there was no particular, seemed to be no particular,
22 problem. I was curious the other day to read a manuscript that
23 came the other day to the University of Georgia Press that at
24 the beginning of the Republic there was a rigorous scrutiny
25 of the mails for quite a long time before people began to move

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1 in to institute some privacy in the mails. I will try and get
2 some citations on that for the staff to look at. But this is
3 not new in our history.

4 MR. GRISWOLD: I was not thinking of publications, but
5 of letters. Did copies of such letters ever come to you in
6 intelligence reports?

7 MR. RUSK: No. It wouldn't come to me in that form,
8 sir. Normally it would come to me as a piece of information,
9 and it would normally have some introductory phrase, and this
10 was for the purpose, I suppose, of protecting sources, some
11 introductory phrase saying usually reliable sources, or something
12 of that sort.

13 Then if I wanted to prick up my ears and ask about
14 the source for a particular item, I could do so and I would be
15 told. I don't recall any instance, any information that came
16 out of this mail that ever caused me to ask for a source, and
17 it turned out to be opening mail.

18 MR. BELIN: Mr. Kirkland, do you have any questions?

19 MR. KIRKLAND: I have a couple, Mr. Secretary.

20 Do you recall any constant, repeated concern by
21 President Johnson to find out foreign sources of support for
22 the domestic dissident groups, that this was an issue that he
23 was continually concerned with?

24 MR. RUSK: Well, we were interested in that point. I
25 think that we were inclined to assume that it was occurring,

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1 because it would be a perfectly normal and natural thing to
2 occur under the circumstances of that period.

3 I didn't have any real doubt in my mind, although I
4 don't have in my mind a list of citations I can give you for
5 hard proof, but I am sure it occurred, and there were in terms
6 of movement of money and movement of people and things of that
7 sort.

8 Off the record.

9 (Discussion off the record.)

10 MR. RUSK: There were black operations going on all
11 of the time in this country.

12 MR. KIRKLAND: Do you see any apparent reason why
13 the CIA should not properly attempt to try to find out what
14 those sources were?

15 MR. RUSK: No, I think somebody has got to.

16 MR. KIRKLAND: Do you have any doubts about that
17 being a proper operation of the CIA?

18 MR. RUSK: I don't think so. I think that in terms
19 of action that it should not be CIA's action in the sense of
20 breaking and entering and things of that sort. I think that
21 the FBI ought to be the action responsive agency in this
22 country, as I have said.

23 MR. KIRKLAND: Domestic in terms of working overseas?

24 MR. RUSK: Oh, overseas, I think it is essential for
25 CIA to try to run down that kind of thing because we are the

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1 targets of a good many political systems.

2 MR. BELIN: Secretary Rusk, as a general overview,
3 you might relate to the Commission the comment you had last
4 night concerning the fact that there is no real substitute for
5 the getting of people of character and quality on the job, and
6 sometimes mistakes are made by the frailties of human nature.

7 MR. RUSK: Well, now that I am permanently a private
8 citizen and think back on the years during and since World War
9 II, I just don't believe that there is any way in which you
10 can guarantee through organizational devices or arrangements
11 that you escape the frailties of human nature. There are going
12 to be mistakes, mistakes of judgment. Any of us who have
13 served in government have had our share of them. I have had
14 mine. And therefore, the greatest importance has to be assigned
15 to the character of those who are carrying the responsibility
16 as well as insistence upon adherence through all ranks of the
17 policies established by the President and through his delegated
18 deputies. I happen to believe that in the Executive Branch of
19 the government that those in civilian clothes are as responsible
20 to the President as are people in uniform, and that otherwise
21 our system of democracy would break down, because nobody
22 elected these people in civilian clothes to make policy or
23 appeal to a higher law and defy the President.

24 They elected the President and the Congress to
25 determine the policies of the government, and so I think we

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1 ought to look for people of the highest competence and the
2 strongest characters to take these jobs of responsibility,
3 and then we will have to rely upon them. I do not see any way
4 in which you can guarantee that there would not be mistakes
5 and failures and occasional stepping across the bounds.

6 MR. CONNOR: Mr. Secretary, would you comment on the
7 obedience of a Cabinet official or highly placed Federal
8 official who was ordered by the President to do something that
9 violates the law clearly or is unconstitutional?

10 MR. RUSK: No, no. I was once instructed by
11 President Kennedy to make an expenditure which my lawyers told
12 me was unlawful, that the money was not for that kind of
13 purpose, and I spoke to the Attorney General about it and said
14 what do I do. And I think his reply was well, if you go to
15 prison, your salary will continue while you are in prison.

16 Well, that was not very helpful. But anyhow, I
17 refused to make the expenditure and told the President why, and
18 he did not pursue it.

19 No, I think that there can come a time when if a
20 President persisted then the Cabinet officer would have to
21 resign, if that is what the President wanted to do.

22 MR. CONNOR: I agree with that interpretation.

23 MR. BELIN: I also think you commented that things
24 sometimes don't go right anywhere else either, including the
25 law as well as business and labor, and so we can't always expect

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1 to go right in government. Is that a fair summary?

2 MR. RUSK: Any institution is going to have its
3 problems, because we are all people with feet of clay, and
4 those feet of clay are going to show once in awhile.

5 MR. BELIN: Do you have any other comments you want
6 to make to the Commission in closing?

7 MR. RUSK: I think my strongest concern, gentlemen,
8 is that during this present period of nervousness and sensa-
9 tinalism and investigation and reassessment that we not come
10 out of this period with a serious crippling of our intelligence
11 community and of our capability to engage in certain operations
12 which are in lieu of war.

13 Now, at the present time there is a strong mood of
14 withdrawal from world affairs among the American people. You
15 can look at a lot of polls and investigations and get impres-
16 sions around the country, and one gets the feeling at the
17 present time that the American people would not support the
18 use of American armed forces anywhere in the world unless
19 there were a direct attack upon a territory of the United
20 States itself.

21 Now, that could mean that there could be steady
22 inroads on what we would think of was the Free World by those
23 who were committed to impose something else on the Free World.
24 And we can find ourselves in a situation where little by
25 little a situation builds up where we are in such a desperate

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1 situation then that we have to face the agony of a nuclear
2 decision, and then we are all dead.

3 And I would hope that we would maintain a capability
4 of trying to deal with some of these situations at an early
5 stage through careful and sophisticated political activity that
6 would help us avoid the horrendous decisions that might lie
7 at the end of the trail if the present trends continue too far
8 into the future.

9 MR. BELIN: Are there any other questions by the
10 members of the Commission?

11 MR. SCHWARZER: Dave, do you have a minute for a
12 question?

13 MR. BELIN: Yes.

14 MR. SCHWARZER: I wanted to ask you, Secretary Rusk,
15 whether you thought in line with your suggestion that we should
16 attract the best possible men for the job of DCI, whether it
17 would help to assign Cabinet level status to that position and
18 whether that would perhaps make him a more effective person
19 in the efforts to coordinate the activities of the intelligence
20 community and how that would work?

21 MR. RUSK: I am not sure that that is very important,
22 quite frankly, because the Cabinet is not that important as a
23 corporate body. In our system, the Cabinet really is not a
24 policymaking group. The chain of command goes from individual
25 Cabinet officer to the President, and the Cabinet is usually

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1 an information exchanging body.

2 And secondly, I just don't believe we improve things
3 very much by the continual inflation of titles. When I became
4 Assistant Secretary of State, there were three. I think now
5 there must be eighteen people in the State Department that
6 either carry the title or have the equivalent rank.

7 I remember once one of our experienced former
8 Ambassadors was cautioning on this and he said, bear in mind
9 that the term Madam started as the address for a Queen. Now,
10 so I really don't believe that changes in title make any
11 difference, and I don't believe adding him to the Cabinet
12 will. I think it is much more important that he be closely
13 with and always present at the meetings of the National Security
14 Council, because that is where the real decisions have to be
15 made.

16 MR. KIRKLAND: Mr. Secretary, I have the impression
17 that in the Foreign Service, the Office of the Inspector
18 General is a fairly critical one and has a substantial amount
19 of authority and an important role in the administration. Do
20 you feel that a strengthening of that operation inside of the
21 CIA would be desirable to help?

22 MR. RUSK: Of an Inspector General type operation
23 inside of the CIA?

24 MR. KIRKLAND: Yes.

25 MR. RUSK: I think that would be very useful. I also

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1 think it might be well --

2 MR. KIRKLAND: It is true that it is a very important
3 operation.

4 MR. RUSK: It is, and I tried to strengthen it in
5 some respects when I was there. I think also the Inspector
6 General of it or the Inspectors of the State Department ought
7 to check when they make their visits to Embassies, check with
8 the Ambassadors on the extent to which he is fully in charge
9 of all activities by all officials of the American government,
10 whatever their agency or department in his own Embassy in the
11 country to which he is assigned, and that this letter of
12 President Kennedy's, which is a matter of public record, should
13 be emphasized so that if anything does go wrong, it is the
14 Ambassador who is held responsible in the first instance.

15 MR. BELIN: That assumes the Ambassador will be
16 tight-lipped on all occasions, I assume?

17 MR. RUSK: Would be what?

18 MR. BELIN: Tight-lipped at all times?

19 MR. RUSK: Yes, but I think on matters of this
20 sort he is likely to be, because of the consequences of his
21 not being, at least in the country where he is assigned.

22 MR. BELIN: Any other comments that you would like
23 to make for the Commission, sir?

24 MR. RUSK: I don't think so.

25 MR. BELIN: Thank you very much for coming up here

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1 and bearing with us last night. Thank you, very much.

2 Now we have one more witness this morning.

3 If you would raise your right hand to be sworn, please,
4 this is Mrs. Sammie Newman, a Notary Public for the District
5 of Columbia.

6 MRS. NEWMAN: Do you swear to tell the truth, the
7 whole truth, and nothing but the truth, so help you God?

8 MR. GRAY: I do.

9 MR. BELIN: Thank you very much.

10 TESTIMONY OF GORDON GRAY

11 MR. BELIN: I wonder if you would state your name
12 for the record, sir.

13 MR. GRAY: My name is Gordon Gray, no middle
14 initial.

15 MR. BELIN: Mr. Gray, you have had quite extensive
16 service with the government of this country, and I wonder if
17 you could briefly summarize that for the Commission?

18 MR. GRAY: It would be easier, sir, if I use a few
19 notes. I think we can do it more quickly.

20 Well, I served in the United States Army from 1942
21 to 1945, first as a private, being released as a Captain.
22 This was near the close of the War.

23 I came back, I came to Washington, I served overseas
24 I might say in General Bradley's Advanced Headquarters while
25 I was overseas as a juniormost officer in his Advanced

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1 Headquarters. I came back out of the Army in 1947 and became
2 an Assistant Secretary of the Army in 1949, and became Under
3 Secretary of the Army and then Secretary of the Army, which
4 post I held until some time before the Korean War broke out.

5 I then became a Special Assistant for President
6 Truman for the purpose of writing a report on foreign economic
7 policy which was published in November, I guess, of that year.
8 After the election, in 1951, I came back to Washington at
9 President Truman's request to organize an organization which
10 was somewhat abortive, known as the Psychological Strategy
11 Board, but which put me in very close contact, in contact,
12 with the intelligence matters, obviously.

13 MR. BELIN: Where physically did that Board meet?

14 MR. GRAY: That Board physically met in 712 Jackson
15 Place. As a matter of fact, that is where it was organized
16 and created.

17 MR. BELIN: Pardon me. Go ahead.

18 When you and I met this morning at 712 Jackson Place
19 at our Headquarters, it was like going home to you in a sense,
20 wasn't it?

21 MR. GRAY: It was, and that's not the end of it, as
22 you will see in a moment.

23 In 1953 I was a member of the so-called Jackson
24 Committee, and I think it was called the President's Committee
25 on International Information Activities headed up by William

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1 Harding Jackson, and C.D. Jackson was a member of the Committee,
2 and one of the principal staff members was Wayne Jackson, and
3 so it got to be known as the Jackson Committee, but it was a
4 Committee set up to study the Cold War, and what we should do
5 about it by President Eisenhower.

6 In 1955 -- well, in the meantime, in 1950, I had gone
7 to the University of North Carolina to preside there. I came
8 back here in 1955 as Assistant Secretary of Defense for
9 International Security Affairs. In 1956, I became a Director
10 of the Office of Defense Mobilization. In 1958, I became
11 Special Assistant to the President for National Security
12 Affairs.

13 And I may say that when this was done, this was my
14 office.

15 MR. BELIN: This was in 1956 as Director of ODM
16 or 1958-59?

17 MR. GRAY: In 1958, my office, I had to go down to
18 the corner of the building, and I have forgotten which floor,
19 and I have been into this building so many times.

20 MR. BELIN: So the Vice President's Conference Room
21 is where you once sat?

22 MR. GRAY: That's right.

23 And then in 1961 I became a member of the President's
24 Foreign Intelligence Advisory Board, appointed by President
25 Kennedy and reappointed by successive Presidents, although I

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1 think it is fair to say that the present President has taken
2 no action with respect to this Board.

3 MR. BELIN: Basically you have been a member of the
4 PFIA, since 1961, is that correct?

5 MR. GRAY: Yes, since May. I looked it up this
6 morning and I thought it was earlier, but it turns out to have
7 been May 6, 1961.

8 MR. BELIN: And you were a member of the National
9 Security --

10 MR. GRAY: 16 May, excuse me.

11 MR. BELIN: And you were a member of the National
12 Security Council until the 1949 amendments to the Act, I
13 believe. Is that accurate?

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1 MR. GRAY: That is right, and the first act which
2 created -- well, it was in the national military establishment,
3 not the Defense Department and the Service Secretaries were all
4 members of the National Security Council. And I briefly
5 served when I became Secretary. Then in '49 the Act was changed,
6 and the Defense Department was created, and various other changes
7 were made, and the Service Secretaries were dropped, and I often
8 say that Stuart Symington and I are the only two people who
9 have ever been kicked off of the National Security Council and
10 are still alive.

11 Later, of course, as Assistant Secretary of Defense,
12 ISA, I was the backup to the Secretary of Defense, and attended
13 the National Security Council meetings with him, briefed him
14 on the meetings, and my next assignment, ODM, I was a member,
15 statutory member of the Council, and then beginning in
16 '58 until the end of the Administration, I helped the President
17 run the Council.

18 MR. BELIN: Did you in your work, either on the National
19 Security Council or as backup representative, did you ever feel
20 the National Security Council undertook very much oversight of
21 the CIA?

22 MR. GRAY: Well, I would know more clearly in the years
23 from '58 to early '61, because I was really a part of the machinery
24 of the Council. There was not much continuing oversight in the
25 sense of the Council members examining what the various intelligence

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1 agencies were doing. There was an annual review of the activities
2 of the Central Intelligence Agency, and of course, every meeting
3 of the NSC began with a briefing by the DCI, which necessarily
4 kept the members informed about certain or many aspects of
5 intelligence. But I think it fair to say that the Council
6 itself did not specifically spend much time reviewing intelligence
7 activities. The Council did, of course, in a paper -- this
8 is perhaps known to the members, and I don't want to cover a
9 lot of ground which you have covered -- the Council had as the
10 Chairman well remembers, adopted a paper called NSC 54/12, which
11 really authorized the covert, the beginning of the covert
12 activities of the Agency. That Committee, I think the Chairman
13 of this Commission served as the President's representative on
14 it for awhile, and of course, I did later when I was a special
15 assistant.

16 But it underwent several changes in name. I changed
17 it from 54/12 to the Special Committee, because the press by
18 that time had gotten wind of it, and my own theory, and this is an
19 aside, gentlemen, but in your recommendations, if you want to
20 change some things that will get some things less visibility,
21 one way to do it I believe is to change the name of things. It
22 takes the press a little longer to catch on after you have given
23 it a brand new name. Call it the Cavinaugh club or anything you
24 like.

25 MR. BELIN: Now, you have served on the President's

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1 Foreign Intelligence Advisory Board since 1961?

2 MR. GRAY: '61.

3 MR. BELIN: Do you have any opinion as to the viability
4 of that board in general and also with specific reference to
5 any oversight functions it might have performed with the CIA?

6 MR. GRAY: Yes, I do. My own strong feeling is that
7 if the President does not have this board, he must have something
8 like it. It is the only agency in government that I know of which
9 on behalf of the President can oversee and interpret and
10 understand the intelligence activities of all of the agencies
11 of the government engaged in intelligence, which includes not
12 only the CIA, but the DIA, and to some extent the AEC, to some
13 extent the FBI, and other government agencies from time to time
14 who find themselves involved purposefully or not in foreign
15 intelligence activities. This board, I feel, should have the
16 confidence of the President. He should be, feel comfortable
17 with its membership. If any President inherits such a board
18 and is not comfortable, then he ought to make his own board.

19 I am saying such a board is extremely important,
20 especially if the recommendations of the Board get to the
21 President, and there have been times in the past when they have
22 not gotten to the President soon enough, and in some cases
23 I am afraid not at all.

24 MR. BELIN: What particular types in the past are you
25 referring to?

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1 MR. GRAY: Well, I can speak very frankly. I think that
2 it was more difficult at the beginning of the Nixon Administration
3 than it had been in earlier days in having the reports, the
4 written reports get to the Board, although I think it fair to
5 say also that Mr. Nixon met fairly frequently with the Board.

6 MR. BELIN: Did Mr. Johnson meet fairly frequently
7 with the Board?

8 MR. GRAY: Mr. Johnson, as I recall it, and I am going
9 back some years now, and I have not checked the records, I think
10 Mr. Johnson met twice with the Board, once for ceremonial
11 purposes; that is, picture-taking, and once for substance. And
12 General Eisenhower, for whom I was a liaison to the Board, met
13 with the Board every three months for two or three hours.
14 President Kennedy met almost every time the Board met, which
15 was every other month. President Johnson practically not at
16 all, and President Nixon quite a good deal. And we have had
17 understandably only one with a President trying to get on top,
18 a new President trying to get on top of his job. We did meet
19 with him once or twice, I think, as Vice President.

20 Well, back to the Board. I think it is true, I think
21 it is fair to say that either the Board or the members of the
22 Board have been responsible for many of the innovations in the
23 Intelligence field which have been vital to our national security.
24 I have in mind the U-2, the reconnaissance satellite program,
25 and at least the members of the Board had a good deal to do

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1 with that. The introduction of data processing in the intelligence
2 community, for which the Board has fought for years with only
3 I would say limited success so far, and the Board has very strong
4 scientific expertise, and it has other expertise as we are now
5 constituted, and as any board should have.

6 CHAIRMAN ROCKEFELLER: Economic activities, economic
7 intelligence.

8 MR. GRAY: That's another thing. Thank you, Mr.
9 Chairman, Mr. Vice President.

10 Actually, when I say it has been innovative, the
11 current activity in the United States Government, and interests
12 in and reliance upon in the field of economic intelligence is
13 larger than this board in the recommendations made to the
14 President a couple of years ago, and I think the Board can be
15 credited with that.

16 You asked me about oversight. We have tried to monitor
17 the various agencies in the foreign intelligence field, the
18 CIA, the DIA, and to some extent the others that I have mentioned,
19 and I think we have been kept well informed. This Board has
20 had all of the clearances that anybody in Government has. And
21 I might say, Mr. Chairman, that to my knowledge in the years since
22 1956 when the first board was created, there has never been a
23 leak from this board.

24 CHAIRMAN ROCKEFELLER: That's right.

25 MR. GRAY: And that is a record that is hard to match

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1 in this town I must say, either in the Executive agencies, and
2 especially on the Hill. That is one reason I think that this is
3 a reliable mechanism, because the members are loyal, it is a
4 small and lean staff, and it undertakes studies in addition to
5 its general monitoring responsibilities. It undertook
6 studies on its own initiative, or some at the request of the
7 President or a representative of the President, and some of these
8 have been very important. Again, sometimes nothing seems to happen
9 to them. The Board made a very important study about our naval
10 forces, now quite some time ago, and it has gone nowhere.

11 The Board made a rather important study I think about
12 human intelligence, the most comprehensive study that has ever
13 been made in the government, and the first one that has been made
14 at all in many years. I have to credit the atmosphere for the
15 failure of that report to go very far, because obviously when
16 you are talking about human intelligence, you raise questions
17 which are involved in Watergate and this kind of phobia that
18 people have.

19 On the other hand, the Presidents have by and large
20 accepted the very many recommendations of the Board over the
21 years which I believe have tended to strengthen the intelligence
22 community, and without which it would not be as mature and
23 sophisticated as it is today.

24 MR. BELIN: Mr. Gray, you mentioned that you were the
25 advisor for National Security Affairs for President Eisenhower.

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1 During the Eisenhower Administration did you ever hear any
2 discussion of what was known as an Executive Action Capability
3 which might be defined as a capability to assassinate foreign
4 political leaders?

5 Have you ever heard that expression?

6 MR. GRAY: I don't remember ever hearing that expression
7 until we talked this morning. I mean, I don't remember while
8 I was in government hearing this expression.

9 MR. BELIN: You never heard the phrase until I asked
10 you the first question in our interview this morning, is that
11 correct?

12 MR. GRAY: That is correct.

13 MR. BELIN: While you were working with President
14 Eisenhower, did you ever hear any discussion of any operational
15 plan to try and assassinate any foreign leaders, and specifically
16 Castro or Trujillo?

17 MR. GRAY: I would like if I may, Mr. Chairman, to not
18 answer that yes or no because it is a complicated question. I
19 would suppose if one were serving in government, and he would
20 put the national security interests ahead of most everything
21 else, he would not fail to think about assassination if this
22 were a vital necessity to the national security. I think you
23 would consider anything, and I have no doubt that at various
24 times and at all levels, without the knowledge of any President,
25 people have talked about assassination. But I know of no plan,

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1 plot, operational organization that ever came to President
2 Eisenhower with respect to any assassinations, and specifically
3 including those that you have mentioned.

4 Now, it is my impression that there was -- I would
5 be surprised if there was any American discussion even of the
6 question of the assassination of Trujillo. But you asked about
7 Castro. I don't know how much detail I should go into, but I
8 can say I am willing to go into detail if the members are
9 interested. There is a memorandum covering every discussion
10 President Eisenhower had with respect to Cuba, beginning in the
11 winter of 1960, which ultimately culminated in the Bay of Pigs
12 operation in 1961, he having approved a four point program,
13 sabotage, stepped up economic sanctions, propaganda, and the
14 training of Cuban refugees.

15 I am reasonably sure that if Truman had ever -- I
16 mean that if Castro had ever been a target of the President
17 or the top people who were engaged in this program which he
18 had authorized, certainly there would have been talk of assassi-
19 nation at that time, and I never heard it even hinted at. So
20 specifically, I had a chance to see if the plans, or at least
21 the training and other activities which would lead perhaps to
22 a change in governments in other places, in another place, and
23 I never heard the word assassination or anything of the equivalent
24 mentioned once.

25 MR. BELIN: While you were serving on the President's

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1 Foreign Intelligence Advisory Board, did you ever hear that
2 discussed?

3 MR. GRAY: Well, I never heard it discussed in the
4 sense that the Board ever seriously discussed it. There was
5 a member of the Board who is a well known individual. He is no
6 longer on the Board, who practically every time the Agency
7 people came before us and briefed us on Vietnam, he said have
8 you considered trying to bump off some of the leaders in North
9 Vietnam, and the CIA would shrug, and then the next time they
10 would come back a couple of months later, and he would say have
11 you thought of trying to bump off some of the leaders in North
12 Vietnam, and I heard that kind of discussion. But you never
13 had any taker from the CIA. And, indeed, that has been my
14 understanding beginning with Allen Dulles, and with all DCI's
15 since, that Agency policy was against assassination on the ground
16 that it didn't accomplish anything when you get right down to
17 it.

18 But I might volunteer one other thing, Mr. Belin. When
19 I was a special assistant to the President and presided over
20 the planning board, which in those days, in the Eisenhower days,
21 prepared all of the papers which went to the National Security
22 Council, we were doing a paper on the Near and Middle East.
23 This was within -- was at the time when Colonel Nasser was
24 riding very high in the saddle, and the big issue in this paper
25 was what were going to be the relationships of this government to

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1 Colonel Nasser, and the opinions ranged everywhere from assassina-
2 tion on the one hand, suggested by somebody, to the other extreme,
3 and that was that we get in bed with Nasser because he was
4 considered to be the wave of the future.

5 Well, when the paper got written, there was no mention
6 of assassination and no consideration even given to it. In fact,
7 the paper came down about the middle of this thing, which was
8 where it should have come. But I am saying that that is why I
9 wanted to not say yes or no. I have heard the word assassination
10 mentioned, but I know of no plan or operational capability that
11 has ever been authorized at any high level of government.

12 MR. BELIN: You are saying you might have heard on
13 occasion one person discuss it, but that was never in any way
14 adopted as a policy, to the best of your knowledge, during the
15 Eisenhower administration?

16 MR. GRAY: That is correct.

17 Now, how many other times it might have been discussed
18 down in the bowels of some agency, I would have no way of knowing.

19 MR. BELIN: You mentioned to me early this morning
20 that President Eisenhower talked to you about having the '54/12
21 Committee looking over activities of the Agency with regard to
22 an oversight function.

23 Do you want to discuss that with the Commission?

24 MR. GRAY: Yes. Well, I really had forgotten what
25 we discussed.

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1 MR. BELIN: You talked about it particularly with
2 reference to activities which might impinge upon governments.

3 MR. GRAY: Yes, indeed. When I became Special Assistant
4 the President called me in with Allen Dulles, then DCI, and
5 well, I think of Allen Dulles, but anyway, if it wasn't
6 Allen Dulles, I then communicated this message to Allen Dulles.
7 This I think was soon after the disclosure of the Berlin Tunnel,
8 which some of you will remember as a very successful intelligence
9 operation, and the President told me that he wanted the '54/12
10 group to pass upon all activities of this government which
11 impinged upon the sovereignty or the people of some other
12 nation. For example, the Berlin Tunnel, this was after the
13 fact, would have been such, and overflights would have been
14 such, and the '54/12 has always concerned itself in its
15 successive incarnations with the overflight problem. President
16 Eisenhower was very sensitive to the necessity of having the
17 top people in government from the appropriate agencies pass upon
18 the wisdom, and in some cases, feasibility of those kinds of
19 operations. There were times when in the covert action field I
20 would, in effect, appeal a decision of the 54/12 or the Special
21 Group because I wondered whether it was in the national interest,
22 and when I took it back to the President from the Committee, I
23 think at least on two occasions or on both occasions he over-
24 ruled me in support of the Committee. But at least the matter
25 got the attention of the President. There were not assassinations,

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1 I should say, but covert actions.

2 MR. BELIN: You also mentioned, though, that if there
3 would have been discussion of assassinations with the President,
4 that he was a staff man, and you feel that as a key person on
5 the staff you would have been advised.

6 Is that a fair summary?

7 MR. GRAY: Let me say that in the time I served,
8 Andrew Goodpasture, lately General Lemnitzer's eloquent
9 successor as Commander of NATO, General Goodpasture was called
10 Staff Secretary in the White House, and he was a good deal more
11 than that. He was the President's right hand man for support
12 matters in relationships with the Joint Chiefs, immediate
13 relationships with all kinds of entities in Government, whereas
14 my job was more in the long range field and the planning field.

15 Well, it is obvious that if we had not been men of
16 good will and loyalty, this could have caused a lot of trouble,
17 so we kept each other mutually informed. I told him about what
18 was going on in the Special Group field, and he told me of all
19 of the things that the President was asking him to do. And then
20 when Eisenhower, General Eisenhower went out of office, these
21 functions were sort of combined, first into McBundy, and then
22 Walt Rostow, and what every other special assistant there had
23 been. In other words, there was not Gray and Goodpasture, there
24 was Bundy. This is clear? So now, in response to your
25 question, I have recently been in communication with Andrew

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1 Goodpasture, and I am able to say to you that neither of us,
2 now back to assassination, remembers anything coming to the
3 White House, and I cannot believe that anything could get to
4 the President without going through one of us.

5 MR. BELIN: Is it a fair summary that he did believe
6 strongly in staff?

7 MR. GRAY: He was the most staff minded -- well, that
8 is a big statement. He was a very staff minded president.

9 MR. BELIN: We also talked this morning about the
10 question of Congressional oversight, and some people have
11 suggested the possibility of having a Joint Committee of
12 Congress akin to the Atomic Energy Committee, perhaps, performing
13 Congressional oversight in lieu of the present Congressional
14 structure.

15 Do you have any comments on that?

16 MR. GRAY: I do, yes.. In the first place, I think the
17 present situation where, if I understand it correctly, if the
18 Agency seeks to undertake or does undertake a covert action, must
19 not only be reported to the appropriate Congressional Committees,
20 whatever they are, but approved by the President, and someone
21 told me this means that about 80 people up on the Hill would
22 know about this. I personally happen to think that there are
23 many agents that have influence on Capitol Hill, and I think
24 that there is a greater need for a tighter rein on security
25 information going just like a shotgun to the Congress. I would

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1 worry then, about a Joint Committee such as you suggest, not
2 because of the Committee itself, but because Joint Committees
3 tend to generate large staffs, and are frequently, not always,
4 the Committee becomes the captor of the staff. But I would worry
5 most about leaks out of such a large staff, and there is not
6 any question that much of this stuff that is appearing in the
7 press, which in my judgment should not appear in the press, is
8 coming right from Capitol Hill. So I would think that oversight
9 Committees are appropriate in the Congress, and obviously the
10 Congress should have the authority and the power to oversee
11 what they want to oversee, and perhaps their oversight Committees
12 have not been as active as they might have been, or as aggressive.
13 That is easily corrected.

14 I can visualize some situations when a Congressman
15 would not want to know some of the things that the Agency is
16 doing.

17 MR. BELIN: We also discussed this morning your concern
18 about leaks from people who have worked within the Agency and
19 then have left the Agency.

20 Do you have any comments about that?

21 MR. GRAY: Yes, I do. I feel very strongly that the
22 Congress should be encouraged to enact legislation which would
23 give the Agency at least the same protection that the IRS
24 has or the Agricultural Department has.

25 Now, it does not even have the protection of its

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1 information that the Internal Revenue Service has, and this to
2 me is just nonsense. I believe in the right of privacy. I am
3 for keeping the Internal Revenue records private. But I am not
4 for telling the whole world about what is going on in the
5 intelligence community. And right now there seems to be no way
6 to stop this process, and it is not that one worries about so
7 much having people know what the Agency is doing, but people's
8 lives are being put in jeopardy, and people's lives are going to
9 be lost as a result of some of these disclosures. The DCI
10 is by statute charged with the protection of sources and methods
11 of intelligence gathering. This absolutely destroys his statutory
12 authority. He cannot protect sources and methods if anybody,
13 any disgruntled former employee can write a book.

14 So without being specifically familiar, I think there
15 is legislation pending, or I know Director Colby has proposed
16 specific legislation to help alleviate this situation. I don't
17 hope for, although I would welcome, an official Secrets Act
18 such as we have in Britain, but then that is breaking down the
19 old system, it's not working so well anymore, but I do believe
20 that we ought to have some way to deter and punish those who
21 deal lightly with the national security.

22 MR. BELIN: On the subject of the DCI, do you have
23 any opinion of the problems that the DCI has as the Chief
24 intelligence officer?

25 MR. GRAY: Yes. We have wrestled with this problem

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1 of leadership in the community. When I say we, I am speaking
2 now not as a former Special Assistant, but if it is all right for
3 me to speak as a member of the President's Board, how the
4 community could be organized, and one of the problems has always
5 been what I would describe as a constitutional problem. If
6 X Agency has 60 percent of the dollars, and the head of Z
7 Agency wants to or is told to give guidance and leadership, he
8 simply cannot under our system give orders to a constitutional
9 officer in another branch of government, specifically the Secretary
10 of Defense. And at the same time, I feel there should be a
11 chief intelligence officer of the Government. I think he must
12 have the confidence of the President and a rapport with the
13 President, and if he has that, his job is easier, and if he has
14 to only persuade and request, but if your Committee is going
15 to make recommendations about this, it seems to me that you might
16 want to recommend that there be someone who is considered a
17 chief intelligence officer, and that if you wish, it can be the
18 DCI, or a new thought that we did not discuss this morning, there
19 might be a special assistant to the President for intelligence
20 affairs, and he could then represent the President across the
21 board, and perhaps have greater success and leadership.

22 But I urge that you bear in mind the realities of the
23 situation where one Agency simply cannot instruct another Agency
24 under certain circumstances.

25 MR. BELIN: Do you have any opinion as to whether or

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1 not it is important to have an intelligence agency under civilian
2 control?

3 MR. GRAY: Yes. I think it vitally important that it
4 be under civilian control, and as a matter of fact, I would almost,
5 I would almost think that would be axiomatic, although I think
6 under the statute a military officer could be, and indeed, the
7 first DCI I think, Hillenkoetter, Admiral Hillenkoetter, was
8 indeed military. But I feel it should be under civilian control,
9 and the issue we did not discuss this morning is one which I
10 think this Commission must address itself to, and that is whether
11 it is to be a careerist, or should it be an appointment of a
12 citizen from private life.

13 Let me make the distinction clear. Richard Helms
14 was a careerist, and John McCone was appointed from public
15 life.

16 MR. BELIN: Do you have any opinion on that?

17 MR. GRAY: Yes. My own preference would be I think
18 for a careerist, but if pressed now to name or give you some
19 names of people in the Agency whom I would, and I think I know
20 most of the top people, I would find it difficult to say to a
21 President in good conscience, that I would recommend that you
22 stick to a careerist. So that I have come down on a waffle
23 there.

24 I have to say generally speaking I prefer a careerist,
25 but in some cases I can see a very good intelligence officer

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1 who is not. I know, I happen to personally think that Allen
2 Dulles was a fine intelligence officer. It was not his career,
3 but he had been in it during the war, and successfully in it.
4 He was more intelligence officer than administrator, but all
5 in all, he served his country well in that post. But this is
6 an issue which I don't really think there is any question
7 about whether it be a civilian. The real question is whether
8 you are going to have a policy or sort of play it by ear when
9 the time comes to make a change.

10 MR. BELIN: Do you have an opinion concerning whether
11 or not there should be amendments to the statutory charter of
12 the Agency?

13 MR. GRAY: The statutory charter, as I understand it, and
14 that was written before I came to Washington so I was not
15 involved, but as I understand it, it was purposely written in
16 somewhat vague terms to take care of situations that necessarily
17 would be vague in and of themselves. I would see no objection
18 to making it crystal clear, if people find it necessary, that the
19 responsibilities of the Central Intelligence Agency are not in
20 the domestic field, and do not involve domestic institutions or
21 American citizens except insofar as the question of foreign
22 intelligence activities becomes involved.

23 The trouble with trying to spell out the precise
24 functions of the CIA and FBI, for example, this problem gets to
25 be a very complicated one because there are a lot of grey areas,

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1 and to say that the CIA cannot have any personnel, and cannot
2 be involved in this country, of course, is sort of silly. I am
3 speaking now of not the intelligence analysis and publications,
4 but I am talking about the acquisition of intelligence and
5 counterintelligence and counterespionage. If you are too precise,
6 then some matters are going to get lost between abroad and at
7 home.

8 Now, there's got to be some way for the flow and
9 transfer back and forth from the CIA and the FBI, so I would
10 myself find it very difficult to see how the Congress could
11 precisely define the functions of the Agency.

12 But I would see no objection to making it clear that
13 the American people need not fear that we are going to have a
14 national police force under the name of the CIA, and this is
15 what we are talking about, or the FBI, for that matter.

16 MR. BELIN: Did any members of the Commission have
17 questions?

18 Yes, Mr. Connor.

19 MR. CONNOR: Mr. Gray, you were talking about the
20 qualifications for the position of Director of Central Intelligence.
21 Based on your experience, would you limit the term of the DCI
22 to any fixed period of time?

23 MR. GRAY: I would not.

24 MR. CONNOR: You would leave it at the pleasure of
25 the President who appoints the person and subsequent Presidents?

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1 MR. GRAY: That's right.

2 MR. CONNOR: Going back to your earlier testimony
3 about your experience as assistant to the President for security
4 matters, do you think it is wise for the same person to occupy
5 that position and Secretary of State?

6 MR. GRAY: No, sir.

7 MR. BELIN: Any particular reason why you feel that
8 way?

9 MR. GRAY: Yes. I think that the Secretary of State,
10 the responsibilities of the Secretary of State are very clear.
11 I think the responsibilities of the Secretary of Defense are
12 very clear. I think the responsibilities of other executive
13 agency heads are very clear. And I have a strong feeling that
14 the Special Assistant for National Security Affairs should not
15 be tied to any other agencies. I think he should be not a
16 Secretary of Defense and a special assistant either. I think the
17 special assistant should have his loyalty only to the President
18 and not to any one department, and my own feeling is that the
19 present situation creates some bottlenecks, administrative
20 bottlenecks that should not exist.

21 MR. BELIN: Does that relate to your earlier testimony
22 of actions by the Advisory Board perhaps not getting through to
23 the President?

24 MR. GRAY: It relates in good measure to that. My
25 own feeling is we have made recommendations to the President

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1 which have gone to the Special Assistant to the President, and
2 then been bucked down to more junior people in the NSC staff,
3 and which get to the President later or perhaps not at all. And
4 my observation to you this morning, Mr. Belin, was that this
5 Board is composed of big boys, and so if the President does
6 not consider them big boys, he ought to get some big boys,
7 and their studied conclusions should not be staffed out by
8 junior people in the NSC staff.

9 CHAIRMAN ROCKEFELLER: May I make a comment there?

10 The procedure which Gordon has just described is
11 not limited to papers coming through NSC. This is a White House
12 procedure established by President Nixon which involved all
13 papers coming to the President, all of the staff work in this
14 way, all of it was bucked down and staffed out so-called, in
15 quotes, with the alternative recommendations, and it makes its
16 way across the board so very little gets through to him without
17 this staffing process.

18 So I think just to put it in perspective, this is
19 a procedure which was developed by the Nixon Administration for
20 staffing that involves all material.

21 MR. GRAY: I think it is fair to say, Mr. Vice President,
22 that the fact remains that it does frustrate, I guess across the
23 board, but it does frustrate.

24 CHAIRMAN ROCKEFELLER: That is right.

25 MR. GRAY: And we, the Board, or the staff on the Board,

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1 has had the unusual experience, at least on one occasion, of
2 saying you sent this paper over to the President for his recommen-
3 dations, and would you please write for us the response that the
4 President ought to make to it. So it is somewhat discouraging.

5 Now, if I could volunteer a couple of things?

6 MR. BELIN: Please feel free to volunteer whatever
7 you would like to for this Commission.

8 MR. GRAY: All right.

9 Let me say, Mr. Chairman, just a few observations. I
10 wish we in this country, and I wish this Commission, perhaps,
11 would worry more about the KGB and the GRU than the CIA. By God,
12 I think that here they are operating in this country, we know
13 they are operating freely here, and in New York there has been
14 a recent incident when a Soviet agent was caught red-handed, and
15 he was not declared persona non grata because of detente, and
16 this worries the very -- this worries me very much. They are
17 operating, and as far as they are concerned, the Cold War has
18 not abated one bit, and the Cold War I describe is that war
19 below the public, diplomatic talks.

20 Now, they have got hundreds of agents in this country,
21 and I have indicated that my guess is that they have agents of
22 influence, if not precise agents, up on Capitol Hill. I know
23 this, almost know this to be the fact. They are operating
24 freely in this country, and here our newspapers are trying to
25 tear apart one basic, absolutely basic element of our national

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1 security and anything the Soviets do, it's fine. So that is
2 from the heart.

3 I did want to say a couple of things, that I think
4 if there is to be a Presidential Foreign Intelligence Advisory
5 Board, one of its principal functions has got to be for the
6 President to seek to avoid subjective judgments in the
7 intelligence community, and this is very difficult to do. I will
8 give you three or four examples, if I may, or three examples.
9 The Cuban missile crisis. You will recall that there was a
10 Congressional election in progress. You will recall that we
11 were getting all kinds of refugee reports. You will recall that
12 Senator Keating was sounding, and was almost ridiculed by the
13 Administration at the time, and then you will recall finally
14 the U-2 flight which disclosed the existence of these missiles,
15 and thereafter we had constant surveillance and knew about it.

16 Well, now, I have talked then, I have conducted a
17 post mortem of that crisis, and in my judgment, the intelligence
18 failure, or it almost was a failure, because another three or
19 four days, and these missiles would have been camouflaged, and
20 we might not have known about them, was the fact that nobody
21 wanted to find those missiles there. They knew the President
22 didn't want to find missiles. The last thing he wanted in this
23 campaign -- this is no criticism of President Kennedy. No
24 President would want to find Soviet Missiles in Cuba. So that
25 the then DCI, the Director of Current Intelligence, whom later,

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1 he carried in his briefcase for three weeks a cable on an
2 agent report from Cuba which turned out to be an accurate
3 description of these missiles, and he was then personally
4 briefing the President, and he said I was never sure enough.
5 There were so many other reports, and we knew they were false,
6 that the weight of my gut feeling fell on the side of new missiles.
7 Well, this is a subjective judgment which was dictated in part
8 by what people wanted to hear.

9 Now, the Chairman of this Commission will remember in
10 recent years the Board had been able to get out of the national
11 intelligence estimates of offensive military capabilities of
12 the Soviet Union, language to the effect that by no stretch
13 of the imagination, and I am paraphrasing, can the Soviet Union
14 be a threat in this area for ten years, this type of statement.
15 They used to have a statement that there is no way to conclude
16 that the Soviets would ever take action against an American
17 reconnaissance satellite. Well, we got that changed. These
18 are subjective.

19 When the missiles, it was a question of MIRVing.
20 the missiles, the Agency was about the last place in the government
21 to believe that the Soviets were MIRVing missiles, and for some
22 reason they didn't want to find missiles being MIRVed. So
23 somebody on behalf of the President has got to watch this
24 business of subjective judgments, passed forward as unfinished
25 intelligence.

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1 I did want to say, and I am afraid I have not said it
2 here, and if I have, I hope you will stop me, I talked twice
3 this morning, and I can't remember about the innovative role
4 that the PFIA has played in terms of its numbers or the board,
5 and I guess I mentioned the U-2 reconnaissance and the satellites
6 and etc., and the economic reports of the Government. That
7 reminds me.

8 Now, finally, one thing that might be considered, and
9 I have suggested this in the Board from time to time, but it
10 has never gone very far, and I'm not sure about its wisdom myself,
11 one solution, one action that might be taken in connection with
12 the covert activities of the Agency would be to move them to
13 a warehouse in Philadelphia, or a music store in Dallas or
14 something and get them out of Washington so that they are not
15 on the cocktail circuit, although in fairness, I think that the
16 Agency personnel through the years have done very damn well in
17 not leaking. But if there is to be a reorganization, one thing
18 that might be considered would be to keep the completely
19 overt activities, which comprise, as you know, the majority of
20 the CIA functions, or involve a majority of their personnel, and
21 move the covert stuff outside, and just get it out of the nation's
22 capital. I would not eliminate it because I think it is necessary.
23 But this is a consideration which perhaps may not have been
24 presented.

25 MR. BELIN: Are there any other questions by members

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1 of the Commission?

2 MR. LEMNITZER: Under whose direction would this new
3 function outside be?

4 MR. GRAY: I would leave it under the Director of the
5 Central Intelligence Agency.

6 CHAIRMAN ROCKEFELLER: Could I ask, Mr. Gray, whether
7 when he analyzed some of the statements that the FIAB had
8 corrected, that were misleading, that came from CIA to the
9 President, whether he has ever given consideration of whether
10 FIAB has ever investigated the possibility of double agents
11 in CIA being responsible for misleading information?

12 MR. GRAY: You mean whether I feel that some of these
13 things --

14 CHAIRMAN ROCKEFELLER: Were intentionally done to mis-
15 lead, or whether it was just caution?

16 MR. GRAY: I think the latter, Mr. Chairman. I think
17 we would be very foolish to assume that the Agency has not been
18 penetrated. I think it would be a foolish assumption. After
19 all, they are the number one target for the Soviet Union. But
20 my guess is that they have not penetrated at the top among the
21 people who actually have been writing these estimates.

22 Are you asking for my opinion? That is my opinion.
23 But I think you would be making a mistake to assume that the
24 great preoccupation of Mr. Angleton, who left the Agency, about
25 penetration of the Agency, his preoccupation I think was not

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1 misplaced. It is entirely possible that we are penetrated.

2 MR. BELIN: Mr. Gray.

3 MR. MARVIN GRAY: Mr. Gray, I have one or two questions
4 on the Dominican Republic, and the U.S. relations there in
5 1960. I believe the government from during 1960, moved from
6 a large degree a policy of non-intervention, to a more active
7 role of trying to topple the Trujillo regime. And in May of
8 1960, Ambassador Farland returned to Washington for consultation
9 and reported that among the dissidents with whom he had contacts,
10 that they reportedly wanted support, and one of the things that
11 they needed was high powered rifles with telescopic scopes.
12 Subsequently he was given clearance, or subsequently, I'm sorry,
13 the Director of Central Intelligence was authorized by the
14 Assistant Secretary of State to provide that assistance.

15 Did you know anything about that, do you recall any
16 discussions of providing rifles to internal dissidents?

17 MR. GRAY: Was this in '60 or '61?

18 MR. MARVIN GRAY: 1960, sir, May and June of 1960.

19 MR. GRAY: I recall there was concern in this govern-
20 ment about developments in the Dominican Republic. To the best
21 of my recollection, I did not know about the military equipment
22 that you were speaking of.

23 MR. MARVIN GRAY: At the very end of the Eisenhower
24 Administration, November 29th, January 12th, the matter of the
25 Dominican Republic was taken up at the Special Group and discussions

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1 were had to work with the internal dissidents and exiles, and
2 also to furnish arms to the internal dissidents?

3 Do you recall those meetings particularly?

4 MR. GRAY: I don't recall those meetings particularly,
5 but if you say that the Special Group did indeed do this, I will
6 not say it didn't. I just don't remember this specific instance.

7 MR. MARVIN GRAY: If you can recall, who would it have
8 been, or if you can speculate any, would it have been your
9 understanding that such arms which were furnished were for the
10 purposes of an internal uprising and something of that nature
11 and not specifically for doing away with the leadership?

12 MR. GRAY: Well, as far as I am concerned, I would be
13 shocked to be reminded of anything that had to do with doing
14 away with the leadership. No, I would think our concern was,
15 if we had that kind of concern, was with being of assistance
16 to the dissidents, and not assassination, or that kind of
17 activity.

18 MR. MARVIN GRAY: Thank you.

19 MR. BELIN: Any other comments that you want to make
20 to the Commission, sir?

21 MR. GRAY: No. You have been very patient, and I
22 am afraid that I have been somewhat longwinded.

23 MR. BELIN: You were patient to wait, and we are
24 sorry you had to wait so long.

25 Any other questions by the Commission?

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1 Thank you, sir.

2 MR. GRAY: Right.

3 (Whereupon, at 1:12 o'clock p.m., the hearing was
4 recessed to reconvene at 2:30 o'clock the same day.)

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AFTERNOON SESSION

(3:50 p.m.)

CHAIRMAN ROCKEFELLER: If you will raise your right hand, do you swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

MR. BISSELL: I do.

CHAIRMAN ROCKEFELLER: We appreciate your coming.

TESTIMONY OF RICHARD M. BISSELL, JR.

MR. BISSELL: I am glad to be of any help I can.

MR. BELIN: Do you want to state your name before the Commission?

MR. BISSELL: Richard M. Bissell, Jr.

MR. BELIN: And Mr. Bissell, what is your educational background?

MR. BISSELL: Yale undergraduate education, and later a Yale Ph.D. in economics, and a year at the London School of Economics.

MR. BELIN: And you got your Ph.D. in 1939?

MR. BISSELL: I think it was '39, yes.

MR. BELIN: And then during World War II were you here in Washington?

MR. BISSELL: I was. I was in the War Shipping Administration, and later at the end of the war, in the Office of War Mobilization and reconversion.

MR. BELIN: And after World War II, then what did you

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*the testimony of
Richard Bissell, former
Deputy Director for Plans,
CIA, before the Rockefeller
Commission, 21 APR 75
(pp 2295-2351)
16 Aug 74*

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1 do?

2 MR. BISSELL: I returned to MIT where I was then a
3 member of the faculty for about two years. Then I came to
4 Washington as Chief of Staff of something called the Harriman
5 Committee, which was one of the planning committees for the
6 Marshall Plan, and I then was recruited by Paul Hoffman to
7 serve in the ECA from almost the beginning of the Marshall Plan,
8 and did serve for three years, and then became Deputy Director
9 of the ECA, and finally Acting Director. After that, two years
10 in the Ford Foundation organization, but I still had my office
11 here, and then I think it was in 1954, but I am a little vague,
12 a year plus or minus on dates, to the Central Intelligence
13 Agency.

14 MR. BELIN: And who asked you to come to the Central
15 Intelligence Agency?

16 MR. BISSELL: Allen Dulles.

17 MR. BELIN: When he asked you to come to the CIA,
18 in what capacity did you come?

19 MR. BISSELL: I had the title of Assistant to the
20 Director oh, for about five years, as a matter of fact.

21 MR. BELIN: And then what?

22 MR. BISSELL: Then I became the Deputy Director of
23 Plans, in I think the fall of or toward the end of '58, or the
24 very beginning of '59.

25 MR. BELIN: And how long did you stay with the Agency?

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1 MR. BISSELL: Until February of 1962, if memory serves.

2 MR. BELIN: And after leaving the Agency, then what
3 did you do?

4 MR. BISSELL: I joined the staff of United Aircraft
5 Corporation in East Hartford, where I had a very unrevealing
6 title of Director of Marketing and Economic Planning. It really
7 was a corporate planning responsibility.

8 MR. BELIN: Wasn't that 1964?

9 MR. BISSELL: Yes.

10 MR. BELIN: Before that you worked for the Institute of --

11 MR. BISSELL: Yes. I'm sorry. I skipped over two
12 years as President of the Institute for Defense Analysis. It
13 is to that that I moved directly from the CIA.

14 MR. BELIN: And you retired from the United Aircraft
15 in 1974?

16 MR. BISSELL: That's correct.

17 MR. BELIN: Mr. Bissell, during the time that you
18 were with the Agency, did you ever have any discussions with
19 anyone in the White House concerning the planning of what was
20 called an Executive Action Capability, which was defined in
21 substance as a capability of the Agency carrying out assassina-
22 tions, if required?

23 MR. BISSELL: My recollection of this is far from
24 clear. But I am satisfied that very early in the Kennedy
25 Administration I did participate in such conversations.

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1 MR. BELIN: And do you have any recollection of with
2 whom you might have participated?

3 MR. BISSELL: I am almost certain it was either
4 Walt Rostow or McGeorge Bundy, or probably the former, and
5 possibly both.

6 MR. BELIN: Do you remember specifically what, if
7 anything, was discussed in any of those conversations?

8 MR. BISSELL: My recollection, which isn't too specific,
9 is that this was a discussion of the desirability of developing
10 such a capability within the CIA that presumably would be a
11 small, special unit, and highly compartmented from the rest
12 of the organization.

13 MR. BELIN: Did you have any feeling as to whether
14 or not this was done with or without the knowledge or consent
15 of the President?

16 MR. BISSELL: I had no specific feeling on that point,
17 but I had a great deal of confidence that the two gentlemen
18 whose names I have mentioned, would not have discussed this,
19 discussed with me or encouraged any course of action that they
20 were not confident the President would approve.

21 MR. BELIN: Did you ever have any such discussions
22 with any official in the Eisenhower Administration?

23 MR. BISSELL: Not to my recollection, and I think I
24 am almost sure that I did not.

25 MR. BELIN: Now, apart from discussions of an executive

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1 action capability, did you ever or were you ever aware of any
2 development of plans inside of the Agency with a specific plan
3 or goal of the assassination of any particular foreign leader?

4 MR. BISSELL: Yes, I was aware of investigation and
5 planning to that end.

6 MR. BELIN: Will you please enumerate before the
7 Commission which foreign leader or leaders were involved?

8 MR. BISSELL: There were three cases I remember. One
9 of them would have involved Sukarno, the second would have
10 involved Lumumba, and the third did involve Castro. I am not
11 giving that order chronologically, I don't remember what the
12 chronology was, but those are the three cases I remember.

13 MR. BELIN: Could you please state for the Commission
14 your entire knowledge with regard to the Sukarno matter?

15 MR. BISSELL: There was planning of such a possibility.
16 I believe this was initiated in the Far Eastern Division of the
17 CIA. The planning progressed as far as the identification of
18 an asset whom it was felt might be recruited for this purpose.
19 The plan was never reached, was never perfected to the point
20 where it seemed feasible. The difficulty concerned the possibility
21 of creating a situation in which the potential agent would have
22 access to the target, and because the plan never reached that
23 stage, it was never, so far as I am aware, discussed outside
24 of the Agency with a view to obtaining approval or authorization.

25 MR. BELIN: So far as your concern with the Agency,

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1 this would have required such approval or authorization before
2 they would have undertaken such a plan?

3 MR. BISSELL: They would.

4 MR. BELIN: Does that relate not just to Sukarno, but
5 with any other target?

6 MR. BISSELL: That is correct.

7 MR. BELIN: Now, what about Lumumba?

8 MR. BISSELL: The Lumumba case planning began, was
9 initiated within the Agency, and in that case, on my initiative,
10 a case officer was directed to look into the possibilities.
11 He reported back in a matter of weeks and convinced me that this
12 was probably unfeasible, and probably an undesirable course of
13 action, and he recommended instead that a quite different
14 kind of operation, somewhat larger in scale, be attempted for
15 the purpose of discrediting Lumumba and undermining his
16 authority.

17 MR. BELIN: To the best of your knowledge, did the
18 Agency in any manner whatsoever, have anything to do with the
19 death of Sukarno?

20 MR. BISSELL: Absolutely nothing.

21 MR. BELIN: Did the Agency have anything whatsoever
22 to do with the death of Lumumba?

23 MR. BISSELL: Nothing.

24 MR. BELIN: All right, now, you said there was a third.

25 MR. BISSELL: The Castro case.

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1 MR. BELIN: All right.

2 Could you tell the Commission the background of the
3 Castro case?

4 First, before you answer that, I will ask you the
5 same question about Lumumba that I asked you with regard to
6 Sukarno. Would there have been any operational plan put into
7 effect without approval from the White House on that kind of a
8 situation?

9 MR. BISSELL: No, there would not.

10 MR. BELIN: All right.

11 Now, let's turn to Castro.

12 Could you tell the Commission about the Castro
13 situation?

14 MR. BISSELL: I became aware, and the timing of this
15 I believe was the very beginning of 1961, of the possibility
16 that an assassination attempt might be planned using Mafia
17 resources, or syndicate resources. My very uncertain recollection
18 is that I first heard of this possibility from Shef Edwards, who
19 I think has testified here.

20 MR. BELIN: He has been interviewed by me.

21 MR. BISSELL: I see.

22 MR. BELIN: And for the record, he was the head of
23 the Office of Security?

24 MR. BISSELL: That's correct.

25 MR. BELIN: During this period of time in the Agency,

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1 is that correct?

2 MR. BISSELL: That is correct. You should, the
3 Commission should also understand that this would have been a
4 very different kind of an operation than anything that the Agency
5 normally undertook in that it would not have been carried out
6 through DDP; that is, Agency operational channels, or through any
7 case officer in the clandestine service. The possibility that
8 seemed to exist was that through several intermediaries, the
9 Office of Security or the Director of Security could be, and
10 indeed, was in touch with individuals in Las Vegas, who claimed
11 they could make such an attempt using their own personnel.
12 This possibility was discussed by me, again I think probably
13 with Walt Rostow. It may possibly have been discussed directly
14 with McGeorge Bundy, but I suspect that it was through Rostow
15 who was then Bundy's assistant and on his staff. My impression,
16 but again I must emphasize that this is an uncertain impression,
17 is that I was encouraged to go ahead with the investigation and
18 planning of this operation, and by investigation I mean
19 simply to find out what would be involved to make some assessment
20 of the likelihood of success, and other aspects of the matter.

21 Under the circumstances, this had to be and was the
22 responsibility of Shef Edwards.

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1 MR. BELIN: Again, I will ask with regard to this
2 aspect of your testimony the same question I asked you concerning
3 the executive action capabilities. Did you have an opinion as
4 to whether or not what you refer to as this encouragement had
5 any authorization from the President or that the President in
6 any manner knew about this?

7 MR. BISSELL: I had no direct reason to believe that
8 he did, but I will make the same answer, that I had a high degree
9 of confidence that the gentlemen I was talking to in the White
10 House, whom I have identified, would not have given such encourage-
11 ment unless they were confident that it would meet with the
12 President's approval.

13 MR. BELIN: Did you ever have any discussions with
14 anyone in the Eisenhower Administration concerning any possible
15 plan to assassinate Castro?

16 MR. BISSELL: I have no clear recollection of such a
17 discussion, but there could have been.

18 MR. BELIN: Do you have any recollection, if it could
19 have been, with whom that discussion might have taken place?

20 MR. BISSELL: I would suppose that it would have been
21 with Gordon Gray.

22 MR. BELIN: If it occurred?

23 MR. BISSELL: If it occurred, but the balance of my
24 recollection is that it did not occur.

25 MR. BELIN: Do you know whether or not during the last

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1 few months of 1960, which would have been in the Eisenhower
2 Administration, any plans were developed within the Technical
3 Services Branch of the Agency to develop any kind of poison
4 pills that might be used to assassinate Castro?

5 MR. BISSELL: I very much doubt if any such develop-
6 ment was attempted with this or any other specific operation
7 in view, but the Agency did have and does have an on-going
8 R&D program, and I am quite certain that products of this
9 sort were among those that it had available.

10 MR. BELIN: Do you have any other recollections
11 concerning the Castro matter at this time?

12 MR. BISSELL: I am vague as to the final outcome of
13 that attempt. I do not recollect, I have no recollection of a
14 specific authorization that it should go forward. I believe,
15 however, that we probably did move to be in a position to carry
16 it out, or to authorize it if authorization were received. One
17 of the reasons were, I believe that my own recollection of the
18 final stages of that plan is vague is that, as I have already
19 explained, what it contemplated was furnishing probably, furnish-
20 ing probably some money and such items as pills or other devices
21 through a number of cut-outs or intermediaries to a group which
22 we ourselves, of course, did not in any direct sense control.
23 This was not an operation of such a character that the communi-
24 cations would run through Agency channels, or that authorization
25 on the spot would be by Agency personnel, or that the Agency

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1 could precisely and tightly control it.

2 MR. BELIN: Did you ever call Mr. William Harvey, who
3 was a CIA man to eventually take over this operation within the
4 latter part of '61 or early '62?

5 MR. BISSELL: Now, I did ask Mr. Harvey to take over
6 a part of our reviving efforts against Castro and the Castro
7 Administration. I probably urged him to look into this plan
8 that was by that -- that had been active or that had been the
9 subject of active attention nearly a year before. I have no
10 recollection of authorizing him to revive it, except to look
11 at it as a plan, or to proceed with any action along those
12 lines.

13 MR. BELIN: Do you have any personal recollection
14 as to whether or not the pills or pills of any kind, poison
15 pills were ever delivered into Cuba?

16 MR. BISSELL: I do not have any recollection of that.

17 MR. BELIN: One way or the other?

18 MR. BISSELL: One way or the other.

19 MR. BELIN: Do you have any recollection on any other
20 facts relating to this matter?

21 MR. BISSELL: I don't believe so.

22 MR. BELIN: Now, I want to turn to the question of
23 Trujillo. Do you want to take over the questioning on Trujillo,
24 Mr. Gray.

25 MR. GRAY: Yes, if it's all right.

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1 MR. CONNOR: Well, will we be coming back to the Castro
2 matter?

3 MR. BELIN: Before we go to Trujillo, let's stop with
4 Castro right now and find out if the commissioners have any
5 questions.

6 MR. CONNOR: Well, I would have a question. At the
7 time you had these discussions with either Mr. Walt Rostow or
8 McGeorge Bundy or both, as you recall them, to whom in the
9 Agency did you report?

10 MR. BISSELL: Allen Dulles, and well, or Mr. Cabell
11 his Deputy.

12 MR. BELIN: And did you ever have any discussions
13 with them about this matter before you talked to the Director
14 of Security?

15 MR. BISSELL: Well, as I have already testified my
16 impression is that the first time I heard about this was in my
17 first conversation at least with the Director of Security, so
18 that would have preceded any conversation with the Director.
19 And my own belief is that matters took that cause I believe the
20 original approach was made to the Agency, that this was not
21 a matter of the Agency seeking out the individuals with whom
22 subsequently messages were exchanged.

23 CHAIRMAN ROCKEFELLER: You mean approached by the
24 White House?

25 MR. BISSELL: No, approached by the syndicate interests,

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1 that they had their own very strong motivations for carrying out
2 this.

3 MR. KIRKLAND: What was their price if they would
4 cooperate?

5 MR. BISSELL: Well, they had, as I say, very strong
6 motivations on their own. You remember that Castro had fairly
7 recently come to power. They had been powerful under Batista
8 in Cuba, and they had a very lucrative set of interests for the
9 syndicates, and they had been in effect been thrown out. There
10 was still, of course, reasonably free travel, and so they had
11 the strongest sort of reasons for anti-Castro sentiment on their
12 own.

13 MR. KIRKLAND: But did they want any specific quid
14 pro quo from the Agency?

15 MR. BISSELL: I'm sure they wanted some money as
16 well as technical help, but I don't remember exactly what.

17 MR. CONNOR: Well, after you did learn about this from
18 the CIA Director of Security, and then had some White House
19 discussion, did you thereafter have any discussions about it
20 with Mr. Dulles or his deputy?

21 MR. BISSELL: Yes, I am sure I did with Allen Dulles,
22 simply that he should be aware that the planning was going forward.
23 As a matter of fact, I believe the Director of Security had talked
24 to Allen before I did on the matter.

25 MR. CONNOR: So that the subsequent activity and

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1 planning was with his, at least his tacet understanding?

2 MR. BISSELL: Correct.

3 CHAIRMAN ROCKEFELLER: Through previous testimony I
4 got the impression that there were two attempts, one through
5 this syndicate, and then another one directly through agents.

6 MR. BELIN: I think that the record basically is that
7 in the first stage it was through the syndicate, and that in
8 the second stage basically they used Cuban exiles but CIA
9 agents, but the exiles who were being used were not necessarily
10 CIA agents at the time so far as regular, full-time employees
11 of the Agency.

12 MR. BISSELL: I don't have a recollection of that
13 second one.

14 MR. GRAY: You left the Agency when, sir?

15 MR. BISSELL: In February of 1962.

16 MR. KIRKLAND: During this time that you were
17 interested or this operation was under consideration, no one
18 in a position of authority ever said flatly no, kill it?

19 MR. BISSELL: To the best of my knowledge, that is
20 correct.

21 MR. CONNOR: Did you ever discuss with the Attorney
22 General, Robert Kennedy?

23 MR. BISSELL: I have no recollection of discussing it
24 with him.

25 MR. BELIN: But you do have a recollection of discussing

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1 it with Allen Dulles?

2 MR. BISSELL: Yes.

3 MR. BELIN: If the records were to show, or if Mr.
4 Edwards were to say that rather than he contacting you that
5 you contacted him concerning the Mafia, would you say that they
6 are wrong, or would you say that perhaps your recollection is
7 wrong?

8 BISSELL: Well, it is possible that my recollection is
9 wrong, but I will -- I think I will stand on that as my
10 recollection and it may be that Edwards and I simply have
11 inconsistent recollections. But I seem to remember rather
12 clearly that it was from him that I first learned of the
13 possibility of this operation, and that he came to see me for
14 this purpose rather than my sending for him. Now, could I just
15 say that I had several conversations with Shef Edwards on this
16 matter and it is very possible that I, that in a subsequent
17 conversation I did take the initiative and send for and discuss
18 it with him. But there may be an inconsistency here.

19 CHAIRMAN ROCKEFELLER: Was there ever any question
20 raised as to whether this violated any of the domestic
21 statutes limiting CIA's activities within the United States?

22 MR. BISSELL: That question was never raised to my
23 knowledge.

24 MR. BELIN: Are there any other questions by members
25 of the Commission?

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1 Mr. CORBIN: May I ask a question? You said that
2 you did not discuss it with Attorney General Kennedy. So far
3 as you know, did you have any information or believe that he
4 was ever aware of the proposed plans here?

5 MR. BISSELL: I don't remember any conversations or
6 incident that would have constituted evidence to me that he
7 was aware, but I would not have been in the least surprised if
8 he were. He could have been aware from Bundy or Rostow and
9 conceivably in other ways. If the President knew of this,
10 then I think it highly likely that the Attorney General did,
11 because the President was in the habit of talking over matters
12 of concern to him with the Attorney General.

13 CHAIRMAN ROCKEFELLER: Do you remember any letter
14 from the Attorney General saying that all activities of this
15 character relating assassination of Castro should stop?

16 MR. BISSELL: No, I do not remember that, Mr. Chairman.

17 CHAIRMAN ROCKEFELLER: That was alleged by some of
18 his associates in the press?

19 MR. BISSELL: No.

20 MR. WALLISON: Mr. Bissell, after the assassination
21 of President Kennedy in November of '63 you were no longer with
22 the Agency I understand?

23 MR. BISSELL: That is correct.

24 MR. WALLISON: But knowing what you do about the
25 events here concerning Castro, at least the planning, did you

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1 relevant to the Warren Commission's inquiry?

2 MR. BISSELL: I really did not, no.

3 MR. WALLISON: And you had no discussions with anyone
4 who is also involved in this matter about that?

5 MR. BISSELL: None.

6 MR. BELIN: Any other questions by members of the
7 Commission concerning the Castro situation?

8 CHAIRMAN ROCKEFELLER: Yes. Was there evidence to
9 your knowledge that Castro was aware of this attempt or became
10 aware of it?

11 MR. BISSELL: I don't remember any evidence to that
12 effect. I don't think that the actual attempt was ever made,
13 although it is physically possible that the devices to be used,
14 the poison pills did reach Cuba and it is perfectly possible
15 that with some time lag Castro would have come on some evidence
16 of this operation. But I don't remember ever seeing any report
17 to that effect.

18 CHAIRMAN ROCKEFELLER: The operation wasn't under
19 your direct management?

20 MR. BISSELL: Not really, indirectly, but not directly.
21 Within the Agency the key individual was Shef Edwards, yes.

22 MR. KIRKLAND: Were there efforts during the period
23 following the Bay of Pigs to land agents on the island?

24 MR. BISSELL: Excuse me, sir?

25 MR. KIRKLAND: Were there efforts post-Bay of Pigs to

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1 land agents on the island?

2 MR. BISSELL: Well, there were none for a while, and I
3 don't know, I would assume that such efforts have been made
4 since then. But I think for a good many months after that it
5 was not, would not have been easy to recruit agents, and also
6 there was absolutely no internal underground or resistance
7 that could give any infiltrated agent support. So my guess is
8 that no such efforts were made for at least a year or more.

9 MR. BELIN: Mr. Bissell, you were in charge in a
10 sense of the Bay of Pigs operation with the Agency, were you
11 not?

12 MR. BISSELL: I was.

13 MR. BELIN: Could this have been part of an overall
14 Bay of Pigs operation as opposed from in any way being a
15 direction from the White House? In other words, could this
16 have been something that the Agency just developed internally
17 as its overall Bay of Pigs operation?

18 MR. BISSELL: I don't think this -- well, in fact I
19 am quite clear that this was not developed in that, this plan
20 was not developed in that way. I don't think it was even known
21 to many if any of the individuals within the Agency that were
22 concerned with the planning and preparation for the Bay of Pigs.

23 MR. KIRKLAND: Mr. Edwards was not involved in the
24 Bay of Pigs?

25 MR. BISSELL: No, he was not.

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1 MR. CORBIN: I believe you testified that you discussed
2 the establishment of the executive action capability with either
3 Mr. Bundy or Mr. Rostow. Did I understand that correctly?

4 MR. BISSELL: Correct.

5 MR. CORBIN: Who was it that first raised this subject,
6 as you recall it?

7 MR. BISSELL: I can't -- I have no recollection of
8 who first raised it. My belief is that this would have come
9 up as a subject very probably in conversations between myself
10 and Mr. Rostow, and the reason I give that as my belief is that
11 I had on a number of occasions discussed with Mr. Rostow the
12 various kinds, various kinds of capabilities, and especially
13 unconventional ones that the Agency should or might develop.
14 At a somewhat later stage, for instance, he asked me and I
15 asked for a small interdepartmental group to examine the ways
16 of improving our military capabilities, and his thinking ran
17 along the lines of developing these tools of action. And I
18 think, therefore, that it is very probable that this came up
19 in conversations with him, but which one of us would have
20 coined the phrase, for instance, I don't know.

21 MR. CORBIN: So far as you recall it, were there any
22 plans for such a capability being developed at the Agency when
23 you had your first conversation with him?

24 MR. BISSELL: Oh, I'm reasonably certain the answer
25 is negative to that.

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1 MR. KIRKLAND: There was no such capability in the
2 Agency prior to that?

3 MR. BISSELL: There was no separated organization,
4 identified capability of that sort.

5 MR. BELIN: Did you have any discussions with any
6 people in the White House during either the Eisenhower Adminis-
7 tration or the Kennedy Administration to the effect of why can't
8 you do something about Castro?

9 MR. BISSELL: Well, it's possible. I don't remember
10 a specific case, if there were any. When you asked earlier
11 if there had been any discussions of this during the Eisenhower
12 Administration, the reason I said that there could have been
13 was just that sort of remark might easily have been made in a
14 meeting. You know, couldn't you, is there any way that you
15 could remove Castro and do something much simpler than the
16 Bay of Pigs operation, that sort of remark could have been made
17 in, for instance, a meeting of the Special Group. I don't happen
18 to remember such remark having been made in the Eisenhower
19 Administration.

20 MR. BELIN: Would President Eisenhower himself have
21 made such a remark, or was he not a member of it?

22 MR. BISSELL: He did not attend the Special Groups.

23 MR. CONNOR: This small group that was formed by Mr.
24 Edwards after your discussions, how many people were involved
25 within the Agency?

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1 MR. BISSELL: Well, I don't know that he formed a
2 group. I think he conducted probably with the help of one other
3 man in the Security Office such communications as there were.

4 MR. BELIN: Mr. Olsen I think has several additional
5 questions in this area.

6 MR. OLSEN: Howard Hunt has stated in several of his
7 writings that in connection with his work in preparation for
8 the Bay of Pigs he recommended an assassination of Premier
9 Castro be undertaken either to precede or to be contemporaneous
10 with the Bay of Pigs operation. Now, Mr. Hunt was working under
11 your direction?

12 MR. BISSELL: Right.

13 MR. OLSEN: At that time, was he not ?

14 MR. BISSELL: Yes, he was.

15 MR. OLSEN: Did such a recommendation from E. Howard
16 Hunt ever come to your attention?

17 MR. BISSELL: I wouldn't be at all surprised. I don't
18 have a specific recollection. It is the kind of thing he could
19 have said in a meeting orally and I don't remember any written
20 proposal to that effect originating from Headquarters.

21 MR. OLSEN: Is it your testimony that you have absolutely
22 no recollection of an oral recommendation from Mr. Hunt to that
23 effect?

24 MR. BISSELL: I don't have any specific recollection,
25 but that doesn't mean that it couldn't have happened.

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1 MR. OLSEN: Do you have a general impression that
2 it happened?

3 MR. BISSELL: I would suspect that he is telling the
4 truth when he said that he made this recommendation. Whether
5 he would have made it in my presence or to me, or to Colonel
6 King or others, I don't know.

7 MR. OLSEN: Mr. Bissell, there has also been testimony
8 that has been taken by the staff of the Commission to the effect
9 that a Bernard Barker, a contract agent of the CIA, or employee
10 of the CIA, I believe it was at that time made contact with
11 the person acting in the Cuban community down in the Miami
12 area and asked him about this time whether he would be willing
13 to undertake an assassination. Do you have any knowledge of
14 that?

15 MR. BISSELL: I don't remember that.

16 MR. OLSEN: Were you aware, Mr. Bissell, in the
17 period 1961 early 1962 of there being a great deal of talk
18 among Cuban exiles in this country of desire to kill Fidel Castro?

19 MR. BISSELL: Again, I have to say I have no specific
20 recollection of reading newspaper stories to this effect, or
21 hearing reports through CIA channels but it seems to me highly
22 likely, given the nature of the situation, that there would have
23 been talk of that sort.

24 MR. OLSEN: A great many of the Cuban exiles in
25 Florida in particular and elsewhere in the southern part of the

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1 United States at that time were being in effect utilized
2 through front organizations that were being sponsored by the
3 Agency, were they not?

4 MR. BISSELL: Uh-huh. I think that is true. Yes.

5 MR. KIRKLAND: Was there discussion of targets there
6 confined to Fidel Castro, or would it include Guevara and
7 others?

8 MR. BISSELL: Exclusively Castro.

9 CHAIRMAN ROCKEFELLER: Were not most of those Cuban
10 organizations penetrated by Castro representatives?

11 MR. BISSELL: They were, indeed.

12 CHAIRMAN ROCKEFELLER: So that it would be very easy
13 for double agents to report back to Castro what was going on?

14 MR. BISSELL: That's right. Exactly. I think our
15 judgment at the time, as a matter of intelligence, and I am now
16 talking about after the Bay of Pigs operation in particular,
17 but the same applies, by the way, to most of the preparation,
18 I think our belief was that Castro was extremely well informed
19 on what was going on. I don't think that he penetrated, so far
20 as we knew, parts of that preparatory activity that were under
21 the Agency's direct control, but all of the exile groups in
22 Miami, including the political groups that we attempted to
23 form and did form as front organizations, I'm quite sure he
24 knew what was going on.

25 CHAIRMAN ROCKEFELLER: Did CIA know, have any information

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1 to the effect that Oswald was trying to penetrate some of
2 those groups?

3 MR. BISSELL: I don't remember that, Mr. Chairman.

4 MR. CONNOR: Did it ever come to your attention in
5 any way that Oswald have any interest in the Cuban situation
6 or was associated with it in any way?

7 MR. BISSELL: Never. I don't ever remember hearing
8 any association, in anything that associated him with that.

9 MR. KIRKLAND: You mean prior to the assassination?

10 MR. BISSELL: Prior to the assassination.

11 CHAIRMAN ROCKEFELLER: Did Bill Pauli work for you
12 during that period?

13 MR. BISSELL: Well, yes, in a sense. I mean, he served
14 as a messenger, but for the most part that was in the final days
15 of the Batista regime and he was used in an effort to persuade
16 Batista to leave the country.

17 MR. BELIN: Mr. Olsen?

18 MR. OLSEN: After the assassination of President
19 Kennedy, when it became well known that Lee Harvey Oswald had
20 been active in attempting to penetrate anti-Castro groups, and
21 had engaged in kind of a one-man operation for the Fair Plan
22 For Cuba Committee, did it not occur to you, Mr. Bissell, that
23 there might have been some relationship between the assassination
24 of President Kennedy, in attitude, at least, that Oswald might
25 have developed in connection with his Cuban contacts in New Orleans?

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1 MR. BISSELL: Well, I think I can honestly say it
2 didn't particularly occur to me at that time. I read the
3 usual newspaper accounts of the assassination, but it wasn't
4 until a good deal later that these facts about Oswald surfaced
5 and I will honestly say that really didn't occur to me, that
6 there was a connection.

7 MR. BELIN: Any other questions by the Commissioners
8 on this particular area?

9 Now let's turn to the question of Trujillo, and I am
10 going to ask Mr. Gray to interrogate you in that area.

11 MR. GRAY: Mr. Bissell, we have gone over the circum-
12 stances surrounding the death of Trujillo just before you
13 testified, is that correct?

14 MR. BISSELL: Correct.

15 MR. GRAY: Incidentally, in the 13 years or so since
16 you left the Agency, have you had occasion to review the docu-
17 ments dealing with that?

18 MR. BISSELL: I have not, no.

19 MR. GRAY: Now, in early 1960 the records I reviewed
20 indicate that the government was maintaining a policy of non-
21 intervention toward the Trujillo regime, and that in the early
22 months of that year Ambassador Farland, who was then our
23 Ambassador in the Dominican Republic, suggested that that
24 policy be changed. Do you recall Ambassador Farland?

25 MR. BISSELL: I don't remember whether I ever met him

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1 personally, but I do have some recollection of this recommen-
2 dation of his.

3 MR. GRAY: And do you recall anything about his back-
4 ground?

5 MR. BISSELL: He had been I believe in the FBI at
6 one time and he had an intense interest in intelligence
7 matters and I think he had worked very closely with the CIA
8 station, Chief of Station in the Dominican Republic.

9 MR. GRAY: Incidentally, was that station declared
10 to the Dominican Government?

11 MR. BISSELL: I believe it was.

12 MR. GRAY: That would mean that the government, even
13 though the people were under cover, would know who they were
14 and what they were?

15 MR. BISSELL: At least who some of them were.

16 MR. GRAY: Now, the records reflect that when Mr.
17 Farland returned to Washington for consultations in May of 1960
18 he stated that he had been in contact with some internal dissi-
19 dents in the Dominican Republic, that they needed support from
20 the United States, and in particular that they needed a number
21 of high-powered rifles with telescopic scopes, and the Agency
22 records reflect in conversations at the Agency he further went
23 on to say that the Dominicans planned to remove Trujillo from
24 the scene through use of some sort of explosive device. Do
25 you recall conversations along these lines?

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1 MR. BISSELL: My recollection is that on the occasion
2 of this visit of his to Washington he did urge that some military
3 or equipment or guns or other devices be made available to
4 the internal dissidents. I have a dim recollection that this
5 was to include one or more rifles with telescopic sights. I
6 wouldn't have remembered the number unless you had mentioned it
7 from the records.

8 MR. GRAY: The records also reflect that at the end
9 of June or the beginning of July you approved of the furnishing
10 of such rifles to the Dominican dissidents on the basis of
11 a memorandum from Colonel King, who was then Chief of the
12 Western Hemisphere Division, stating he had received authori-
13 zation from Mr. Rubottom, who was then Assistant Secretary of
14 State. Do you recall such approval?

15 MR. BISSELL: This is all consistent with my recolle-
16 ction.

17 MR. GRAY: Would you yourself be involved in any
18 negotiations with the Department of State as a normal matter?

19 MR. BISSELL: As a normal matter I would not have
20 been involved with meetings at the Assistant Secretary of State
21 level. I would have been involved if and when this matter was
22 discussed in the Special Group.

23 MR. GRAY: And do you recall, do you have any recollection
24 of whether or not you were involved in any discussions involving
25 the furnishing of these rifles?

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1 MR. BISSELL: I don't remember that.

2 MR. GRAY: Now, the records pretty much petered out
3 at this point. They don't show that either this plan was killed
4 or that the rifles were actually sent. It could not be
5 developed whether they were or not. Do you have any recollection
6 why that change of course might have taken place?

7 MR. BISSELL: None whatsoever.

8 MR. GRAY: At the beginning of '60 and '61 you pre-
9 sented a proposal to the Special Group to work with the
10 internal dissidents, and at the same time work with exile groups
11 for paramilitary capability and things of that sort, am I
12 correct?

13 MR. BISSELL: Correct.

14 MR. GRAY: At the January 12, 1961 meeting, at the
15 instance of Department of State, the Special Group, which
16 approved these covert operations, approved the provisions to
17 the Dominican internal dissidents of limited supplies of small
18 arms and some explosive devices, some explosives, I believe,
19 do you have any recollection on that ?

20 MR. BISSELL: Such as it is, it would confirm what
21 you state.

22 MR. GRAY: In your opinion, when they approved the
23 provision of small arms, were they talking about assassination
24 weapons, or were they talking about guerrilla supplies and things
25 of that nature?

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1 MR. BISSELL: I would have said definitely the latter.
2 However, I think it was the understanding of everybody in
3 Washington that if you provided weapons to internal dissidents,
4 and especially in fairly small numbers, and were contemplating
5 truly guerrilla-like activities as distinguished from something
6 on the scale of the Bay of Pigs, that these might well include
7 assassination attempts. But the concept that I seem to remember
8 was that this was a plan for, in effect, the logistic support
9 of the internal dissidents, and it did not contemplate that
10 the Agency or the Station would be planning specific operations
11 for them to carry out.

12 MR. GRAY: So, it would be their operations and the
13 Agency furnishing of the equipment?

14 MR. BISSELL: Right.

15 MR. GRAY: And you draw a distinction there, do you?

16 MR. BISSELL: I do partly because in situations like
17 that the Agency really has very little effective control over
18 the group that is supported once the support has been granted.

19 MR. GRAY: And with respect to the explosives which
20 were authorized, the Agency had been in contact with these
21 internal dissidents and was aware that they did plan to use a
22 bomb to kill Trujillo?

23 MR. BISSELL: I imagine that's the case, yes. I don't
24 specifically remember.

25 MR. GRAY: And you then, if you don't recall of your

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1 own state of mind, do you have any recollection as to whether
2 other members of the Special Group knew what the purpose of the
3 explosives might be?

4 MR. BISSELL: I believe that they would have, yes.

5 MR. GRAY: You think they would have?

6 MR. BISSELL: I think they would have, yeah.

7 MR. GRAY: Now, the dissidents had difficulty coming
8 up with a workable -- oh, very important, the Special Group
9 attach the condition that these weapons and explosives be
10 delivered to the representatives of the dissidents outside of
11 the Dominican Republic, is that correct?

12 MR. BISSELL: Correct.

13 CHAIRMAN ROCKEFELLER: Did this get the approval
14 of the White House?

15 MR. GRAY: The records that I have reviewed show it
16 was approved by the Special Group. There was --

17 MR. BISSELL: There was also a White House Represen-
18 tative on the Speical Group.

19 CHAIRMAN ROCKEFELLER: And you said earlier that any
20 assassination or assassination attempt would have to have the
21 highest approval?

22 MR. BISSELL: That's correct.

23 CHAIRMAN ROCKEFELLER: From the President?

24 MR. BISSELL: That is correct.

25 MR. GRAY: Would include this sort of instance of

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1 furnishing material to people knowing what they are going to
2 use it for, but where the Agency itself is not directing the
3 operation?

4 MR. BISSELL: Well, let me answer that question this
5 way: this clearly required and received the Special Group
6 approval. The procedure always in the Special Group was that
7 the White House Representative was presumed to inform the
8 President of whatever was brought up in that Group that in
9 his opinion should be brought to the President's attention.
10 And furthermore, it was presumed to obtain presidential assent
11 to action in those cases where he believed the presidential,
12 personal assent of the President was called for.

13 MR. CONNOR: And who was the White House Representative
14 sitting on the Special Group at that time?

15 MR. BISSELL: Gordon Gray. And frequently, given that
16 procedure, it was frequently the case that a proposal would be
17 made at one meeting of the Special Group, it would be discussed
18 but no action taken until the next meeting, in part to provide
19 this opportunity for the White House Representative to consult
20 with the President to the extent he believed necessary.

21 MR. GRAY: Now, the dissidents were never able to
22 develop a capability to receive these goods, nor did they ever
23 provide any persons to be trained in the techniques of explos-
24 ives and detonators and so forth?

25 MR. BISSELL: (Witness nodded in the affirmative.)

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1 MR. GRAY: In March the station cabled the request
2 of Mr. Dearborn, who was then Counsel General, that Trujillo's
3 relations having been severed, cabled his request for three
4 .38 police specials to be turned over to the dissidents as a
5 show of good faith and material support. Now, do you recall
6 a discussion of the pistols and sending pistols by pouch and
7 so forth?

8 MR. BISSELL: Yes. I think I do remember that dis-
9 cussion, and for that purpose you have identified.

10 MR. GRAY: The record also reflects that on the first
11 couple of occasions such requests were made by the station the
12 Agency refused them stating that it was inconsistent with
13 the limitations imposed by the Special Group. The last request
14 was not responded to for a period of some week, approximately
15 a week, following which you approved it. It appears there was
16 a meeting in the State Department between some State Department
17 officials and Agency officials and the State Department memorandum
18 of that meeting is not in their files. Based on that statement
19 of documents, would you say whether or not you think there
20 would have been State Department approval of pouching those
21 pistols?

22 MR. BISSELL: I think there almost certainly would
23 have been State Department approval, because there had been
24 a specific prohibition imposed by the Special Group, and the
25 Agency would not on its own authority have considered it possible to

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1 violate that prohibition unless and until there had been
2 consultation with the State Department and concurrence by the
3 State Department.

4 MR. GRAY: Would such consultation normally have been
5 at your level or on Colonel Kings?

6 MR. BISSELL: I think probably Colonel Kings.

7 MR. GRAY: Assuming the State Department agreed to
8 waive the Special Group restrictions, and the Agency felt this
9 was appropriate, would you have felt it necessary to go back
10 to the Special Group in any formal fashion?

11 MR. BISSELL: I think probably not, but I think the
12 Special Group members would have been informed of this action
13 at the next meeting.

14 MR. GRAY: As I stated, the record reflects that the
15 pistols were sent to the Dominican Republic and were passed
16 to the dissidents.

17 MR. BELIN: When, Mr. Gray, does the record reflect
18 that?

19 MR. GRAY: I believe it was March 25th. I don't have
20 my notes with me.

21 MR. BELIN: Of what year?

22 MR. GRAY: 1961.

23 MR. BELIN: When does the record reflect the rifles
24 were shipped?

25 MR. GRAY: The Springfield rifles, the ones that

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1 Ambassador Farland talked about?

2 MR. BELIN: The first rifles that went down.

3 MR. GRAY: As near as I can tell on the rifles that
4 I spoke about earlier, they never went to the Dominican
5 Republic.

6 MR. BELIN: In other words, the early rifles that
7 were talked about never were shipped, is that correct, according
8 to the records?

9 MR. GRAY: The records no longer discuss the matter
10 once approval to ship them was given. There is no transmission,
11 no further reference to receipt of them, nothing of that
12 sort.

13 MR. BELIN: All right, go ahead.

14 CHAIRMAN ROCKEFELLER: I would like to ask Mr.
15 Bissell whether there was any question of violations of
16 statutes by sending these weapons to a group through the use
17 of the pouch, diplomatic pouch in relation to either a direct
18 assassination attempt, or implied or possible?

19 MR. BISSELL: Well, I am not aware of any. In any
20 case, I think that consideration did not arise at the time, and
21 it obviously didn't arise in the minds of the State Department
22 or the Special Group members or the Agency.

23 MR. GRAY: Now, following the shipment of the pistols,
24 the station cabled back that they had discovered in the
25 Consulate three Carbines that had been left behind by departing

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1 Naval personnel and requested authority to pass those. Again,
2 Headquarters delayed, and again there was a meeting with the
3 State Department. There is a memorandum of this meeting and
4 it doesn't reflect this subject came up, but the same day your
5 Deputy, Mr. Barnes, approved the passage of the Carbines.
6 Would you say that this would --

7 MR. BISSELL: I think almost certainly that the
8 State Department would have been consulted.

9 MR. GRAY: Now, following this the station and the
10 Consul requested, the Consul requested some more or relayed
11 the request to the dissidents for some so-called grease guns,
12 M-3 submachines, and three or four such weapons were pouched
13 to the Dominican Republic. But with the Bay of Pigs and un-
14 settled conditions in the Caribbean area they were never passed.
15 Do you have any further recollection of the events preceding
16 the death of Generalissimo Trujillo?

17 MR. BISSELL: I really have none, no.

18 MR. GRAY: Do you recall discussing these matters
19 with anyone, let say of your superiors or anyone outside of the
20 CIA?

21 MR. BISSELL: No special discussions, nothing other
22 than those that would routinely occur in reviewing projects with
23 Allen Dulles internally and any special reports to the Speical
24 Group.

25 MR. BELIN: Did the Special Group give or reaffirm its

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1 position to pouch the weapons that were actually shipped in
2 the spring of 1961?

3 MR. BISSELL: I don't know whether they did or not.
4 As you have just heard, there is the indication that this was
5 cleared with the State Department, and I have said that the
6 normal procedure would be that everything cleared with the
7 State Department and the Special Group at least would have
8 been informed of this at its next meeting, and presumably,
9 therefore, it accepted that, or at any rate did not reverse
10 the agreed upon position between the Agency and the State
11 Department.

12 MR. BELIN: Who were the members of the Special
13 Group, in summary, if you remember?

14 MR. BISSELL: I will have to have the date again.

15 MR. BELIN: Into the spring of '61.

16 MR. BISSELL: Well, by this time the Special Group
17 would normally have included Bundy or Rostow, and at the beginn-
18 ing, at some date about mid-'61 I believe that General Maxwell
19 Taylor, as the President's Military Adviser, sat in on most of
20 the meetings. It would have included probably the Undersecre-
21 tary of State, and the Deputy Secretary of Defense and the
22 Director of CIA.

23 MR. BELIN: And you mention the fact that in the fall
24 of 1960 when this was first discussed, that at that time Mr.
25 Gray was on the Special Group?

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1 MR. BISSELL: Right. Correct.

2 MR. BELIN: And who was the Special Group at that
3 time, who else?

4 MR. BISSELL: Well, it would have been, with the
5 exception of the White House representation, it would have been
6 the same individuals ex officio. It was suppose to be the
7 Deputy Secretary of State, I mean the Undersecretary of State,
8 the senior Undersecretary. Later, at certain stages in the
9 organization of the Department it was the Undersecretary for
10 Political Affairs in the State Department. The Deputy Secre-
11 tary of Defense was a member, although there was sometimes a
12 substitute for him. And the Director of Central Intelligence
13 was the other person.

14 MR. KIRKLAND: Was that representative to the OAS
15 involved in these discussions?

16 MR. BISSELL: I believe not, sir. I believe it is
17 very unlikely.

18 MR. GRAY: Mr. Bissell, one other aspect of the cable
19 traffic I should call to your attention is that shortly after
20 the shipment of the pistols and the authorization to pass the
21 Carbines, there is several cables between the station and the
22 Agency Headquarters reflecting some concern whether Counsul
23 Dearborn is going to mentioned these matters in his correspondence
24 with the Department of State. Now, I suppose there could be
25 two reasons for that, either nobody in the State Department knew

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1 it, or very few people in the State Department knew it. Would
2 you have any opinion as to which of those situations existed?

3 MR. BISSELL: Yes. I am almost certain it would have
4 been the latter. Operational information of this sort was
5 suppose to be confined to the Assistant Secretary concerned and
6 his Deputy. Quite often, for matters of somewhat lesser
7 sensitivity involve the station desk officer in the State Depart-
8 ment, but it was suppose to be limited to two or three below
9 the level of the Undersecretary and the Secretary.

10 MR. KIRKLAND: Was the Ambassador back in the country?

11 MR. BISSELL: I believe the Ambassador was back in
12 the country, but in this particular case where Farland had
13 been the Ambassador and was succeeded by Dearborn, they were
14 both kept completely informed of what was going on at all times.
15 The reason I say in this particular case is that these were
16 two men who I mentioned earlier, were intensely interested
17 in intelligence and covert activity or operations of this sort.
18 It was Farland, as you have heard, who really initiated the
19 policy of supporting the dissidents, and they were, to my
20 recollection, very fully informed of what was done.

21 MR. BELIN: Again, you mentioned earlier that you
22 felt that the Special Operations Group approved possibly a ship-
23 ment of rifles in 1960 which evidently were not shipped. Do
24 you have any specific recollection of that approval, or do you
25 have any specific recollection that it was approved or not?

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1 MR. BISSELL: I don't have a specific recollection,
2 but I take it there is a record of that.

3 MR. BELIN: Are you assuming that if they were shipped
4 they were approved, and if they were not shipped you don't know
5 whether it was approved?

6 MR. BISSELL: I think that is what I am saying, yes,
7 as you are stating, yes.

8 MR. BELIN: And if the record shows there were
9 weapons shipped in the March or April of 1961. Then is it your
10 specific recollection or just that you are assuming that the
11 Special Operations Group approved that?

12 MR. BISSELL: No. I have some recollection of that
13 one, the shipment involving the three revolvers, and I partic-
14 ularly remember the case that was made by Dearborn for doing
15 it, which was to be able to give, to issue some weapons to
16 the dissidents as evidence of our continued interest and good
17 faith.

18 MR. BELIN: And would that approval of the Operations
19 Group then have been in the spring of 1961 or the first part of
20 1961, or still going back?

21 MR. BISSELL: I'm quite certain it would have been
22 the first part of 1961.

23 MR. KIRKLAND: Following the death of Trujillo, did
24 the Agency give any help or aid to the surviving executioners?

25 MR. BISSELL: I don't remember that specifically. It

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1 was a confused period, of course, and the Agency was very active
2 there in the next few months attempting to, in making contact
3 with the various political groups and individuals that emerged,
4 but I do not remember anything specific of the sort you speak
5 of.

6 MR. BELIN: The records of the Agency show that Mr.
7 McCone was not briefed about either the Castro plan or the
8 so-called executive action capability until some period after
9 he became DCI, which would have been in 1963 or so. Do you
10 know any reason why he was not briefed about this?

11 MR. BISSELL: Well, I think by the time he took office,
12 which as I remember it it was late in 1961, I think it was about
13 the first of December in 1961, any plan to develop an executive
14 action capability internally was in abeyance. I don't know
15 whether it ever was revived, certainly not while I was there,
16 and I think that's the reason that he was not briefed on that.
17 The possible plan of a possible Castro assassination had aborted
18 and although an individual was designated by me just about that
19 time to begin to look at the potential operations against the
20 Castro regime, that designation would have occurred only a few
21 weeks before I left, and I think, I don't think anything ever
22 came of that. Bill Harvey, who was put into that position, was
23 active in planning for a time, but I know that after a fairly
24 short tour of duty he was removed, and so I am assuming the
25 reason McCone was not briefed about these was that really nothing

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1 was happening that worth bringing to his attention.

2 MR. BELIN: Any other questions on the assassinations
3 before we turn to one final area?

4 MR. GRAY: I do have one other question. Mr. Helms
5 was your Deputy for a portion of this time?

6 MR. BISSELL: He was.

7 MR. GRAY: And ultimately your successor?

8 MR. BISSELL: Right.

9 MR. GRAY: Was he involved in any of these operations
10 or planning that you have described?

11 MR. BISSELL: Well, he was generally informed about
12 them because he saw copies of all of the cable traffic that
13 came through, and sat in meetings with the Director and things
14 of this kind. He was not actively involved in the Bay of Pigs
15 preparations when that was going on. It was nearly a fulltime
16 job for me, and I was handling much of the rest of the business
17 of the CS. I believe that he would have been -- there's a
18 chance that he would have been involved in the Dominican
19 activities, but to just what extent I don't remember.

20 MR. KIRKLAND: I have one question. This group that
21 carried out the assassination in the Dominican Republic were
22 not initially sponsored by the CIA?

23 MR. BISSELL: That's correct, sir. They came into
24 existence on their own, and as you have heard, it was Ambassador
25 Farland's recommendation that they be supported, and I do want to

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1 emphasize, as I have said, that this was regarded by the
2 Agency as a logistics support operation, in full knowledge that
3 it was giving them the capability for violence. But nevertheless,
4 there is quite a distinction, or at least there was in our minds
5 between supporting an operation and either initiating it, organ-
6 izing it, running it and controlling it.

7 MR. KIRKLAND: And this was not too long after the
8 Trujillo assassination of a president of a friendly state?

9 MR. BISSELL: Exactly.

10 MR. GRISWOLD: Did anyone give consideration as to
11 whether this was a wise thing to do or a legal thing to do?

12 MR. BISSELL: Well, I would presume, sir, that
13 consideration was given in the State Department. And as you
14 have heard, it was the Ambassador who first recommended that
15 this support operation be undertaken. This was then approved
16 by the Deputy Assistant Secretary of State. He is the approver
17 of record, but this must have also included Tom Mann, who was
18 the Assistant Secretary of State. It was discussed in the
19 Special Group where it was approved at the undersecretary level,
20 and by a White House Representative, and the general presumption
21 in the way the Agency's covert action operations were run was
22 that the policy considerations of the wisdom of the action was
23 a matter for the State Department, the White House and in a
24 sense the National Security Council and the Pentagon wherever
25 its interests were relevant, which was in many of these.

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1 MR. GRISWOLD: But the CIA didn't regard itself as
2 having any responsibility for either wisdom or legality?

3 MR. BISSELL: I wouldn't say that. I would not say
4 that it had no responsibility for wisdom. The CIA obviously
5 was represented both at the Special Group and on occasion with
6 the ad hoc meetings when operations of this kind were discussed,
7 and CIA representatives were quite often not backward in giving
8 their views about wisdom. But this was not the part of the
9 Agency's charter. I think that was recognized at the time,
10 and it was one of the Allen Dulles' repeated exhortation, that
11 the CIA does not make policy. It is there as an agency in this
12 capacity, it is there to carry out policy decisions.

13 Now, as to legality, I think there was a real effort
14 in the years that I was in the Agency to restrict the Agency's
15 operation within what was believed to be its charter. And in
16 that sense, at least there was a concern for a legality. I am
17 not -- I have to say that I am unclear myself as to how the
18 concept of legality can be applied to many covert activities.

19 MR. CONNOR: Who was the Undersecretary of State in
20 the Special Group at that time?

21 MR. BISSELL: Well, back in '60 it was Mr. Murphy,
22 and in '61 it was Chester Bowles who was the Undersecretary. He
23 did not represent the Department very often on the Special Group,
24 and I don't remember whom he used for that purpose.

25 MR. GRAY: Mr. Merchant was there at that time.

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1 MR. BISSELL: Yes, I think he was.

2 MR. SHANNON: Staying on this matter of approval as
3 to the wisdom, you assumed the State Department had covered
4 this, and that would mean you assumed the Secretary of State
5 was informed?

6 MR. BISSELL: Yes, sir.

7 CHAIRMAN ROCKEFELLER: Was Goodwin involved in any
8 of this stuff?

9 MR. BISSELL: Dick Goodwin became somewhat involved
10 in the Bay of Pigs operation, but very late in the game. For
11 the most part, only after it was over in the business of picking
12 up the pieces. I suspect that he was involved a bit in the
13 Dominican operation, and I believe that he would have been one
14 of its supporters and very sympathetic to it.

15 CHAIRMAN ROCKEFELLER: How about the Castro assassin-
16 ation attempt?

17 MR. BISSELL: No, I am almost certain that he knew
18 nothing of that.

19 MR. BELIN: At least not during the time that you were
20 with the Agency?

21 MR. BISSELL: That is correct, yes.

22 MR. KIRKLAND: Was John Hill, do you recall, was John
23 Hill in the D.R. at the time ?

24 MR. BISSELL: I seem to remember him being there at
25 some point, but I don't remember when it was. I think during

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1 the period we are talking about in the D.R. it was Farland
2 followed by Dearborn.

3 MR. KIRKLAND: He was the charge d'affaires' I think
4 afterwards?

5 MR. BISSELL: Yes.

6 MR. GRAY: Dearborn along with the members of the
7 sation were removed very quickly after the death of Trujillo?

8 MR. BELIN: The final area of inquiry that I want
9 to go into pertains to recommendations you might have concerning
10 Agency operations or based upon your experience in the Agency
11 and your experience both before in government and after in the
12 business world. Do you have any specific recommendations as to
13 how to improve the operations of the Agency?

14 MR. BISSELL: Well, as I have mentioned to you, Mr.
15 Belin, I had a few that are rather scattered, and to which I
16 do not attach any very great importance. I had occasion a few
17 years ago to do a paper on this, and I am going to supply Mr.
18 Belin a copy of this if it is of interest to him. The main
19 thrust of that, I will put it this way, is that the Agency, most
20 of the Agency's so-called failures, and especially its more
21 massive ones have taken the form of a compromise of operations,
22 or operations have been deemed to be failures largely because
23 they were compromised. That is not true in all cases, by any
24 manner of means, I mean the Bay of Pigs is a notable exception.
25 But in general that is true, and that had lead me to argue, or

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1 really to remind any readers of this essay to which I have
2 referred that the prime expertise the nation should seek in
3 the clandestine service, in a foreign clandestine service is an
4 ability to keep things secret, and to perform operations in secret
5 and without compromise. And in part because of my own failings
6 and shortcomings, by the late 60's the Agency already had I
7 thought a rather lamentable record of not being able to do this.

8 Now, in reviewing the whole range of different kinds
9 of covert operations, they involved progaganda operations,
10 paramilitary operations, political action operations and the
11 whole range. And with respect to each of these, the clandestine
12 service is not the place where one would expect to, where one
13 would look for professional competence, military competence.
14 One would look to the Pentagon. Competence in political
15 analysis and political science he would expect that the most
16 competent people in the nation would be elsewhere, and he would
17 not look there for competent economists as such. The pro-
18 fessional competence that the clandestine service should have,
19 is as I said, the ability to plan and organize and carryout
20 operations, both intelligence collection and such covert action
21 operations as are authorized with high security, and hopefully
22 avoiding compromise.

23 Given that as its role, given its poor record, I
24 suppose the thrust of this paper was that every effort should
25 be made to improve this aspect of the Agency's operations. I

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1 made one organizational recommendation. It is just one way
2 of doing it. It was to propose that there be a small internal
3 staff in the Agency, in the clandestine service, but with the
4 direct line to the DCI that should scrutinize every proposed
5 new operation before it is initiated, and at least once a year
6 should scrutinize every on-going operation from one standpoint
7 solely that was the prospects of compromise, and their change
8 from year to year. My feeling is that in the years that I was
9 in the, it was the DDP in particular, that lacking this or any
10 similar mechanism, a number of our mistakes occurred because
11 there was not a strong enough voice raised internally in the
12 councils of the Agency in favor of the precautions that would
13 be required to maintain secrets.

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1 MR. KIRKLAND: Would that not be a function of the
2 Counterintelligence Division?

3 MR. BISSELL: Well, it could be, but actually the
4 CI staff or Division did not function in that way and did not
5 really attempt to perform that role. It was attempting really
6 to protect the Agency and other parts of the Government from
7 penetration, and I really had in mind not the compromise by
8 classic penetration, but if you stop to think of it, it hasn't
9 produced the great, dramatic revelations of recent years. It
10 is the compromise from letting too many people become knowledgeable
11 of an operation and still letting the operation go on, of having
12 inadequate cutouts, and having inadequate compartmentation both
13 within the Agency and elsewhere in the Government.

14 MR. BELIN: Now, you contrasted that with the
15 Inspector General's review, which was a review of operations
16 that had already been completed as opposed to current operations?

17 MR. BISSELL: That is correct. I am talking about
18 before the fact review, and for this, the sole purpose really
19 of what I have identified as security.

20 MR. BELIN: You also had a recommendation --

21 MR. CONNOR: Excuse me. You made an exception for the
22 Bay of Pigs in that. Now, why would you say that that operation
23 failed?

24 MR. BISSELL: Well, that operation not only was
25 dramatically compromised, and indeed, it is questionable whether

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1 that could have been avoided under any circumstances, but it
2 was also a military failure, and it seems to me perfectly clearcut
3 that that is the case.

4 My reference to that was to contrast this with, for
5 instance, the by now much publicized support to the Student
6 Association and support to labor groups overseas. These operations,
7 in my opinion, were tested by what they accomplished up to the
8 point of compromise, and could perhaps still have accomplished,
9 were brilliantly successful, and what destroyed those operations
10 was purely and simply compromise.

11 I also happen to think that they became, that they are
12 examples, although perhaps I have not looked into them enough
13 to be confident of this opinion, but I am afraid I think they
14 became examples of very sloppy procedures. I think that anyone
15 who had looked by the early '60s at that set of operations,
16 coldly, and somewhat at arm's length from the standpoint of
17 security would have said that they are absolutely doomed to
18 compromise, and quite soon if major changes were not made.

19 After all, the very fact that, for instance, in the
20 Student Organization you had new officers every year, and most
21 of the officers were knowledgeable of the source of funding,
22 well, it was absolutely inevitable that that would be brought
23 up before long, and indeed, a state of mind had developed, I
24 think, that it really would not do much harm if it were blown.
25 I think that state of mind was perhaps perfectly proper with

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1 regard to the radios because they really had been blown before,
2 but there are instances in my view of operations that did achieve
3 notable results, and which eventually failed and had to be
4 ended for the reason of compromise.

5 MR. BELIN: You have also had some recommendations
6 concerning the type of personnel that the Agency ought to
7 recruit.

8 MR. BISSELL: I will mention before touching on that,
9 I had one other specific one which is really the subject of
10 longstanding discussion inside of the clandestine service. I
11 felt the Agency had come to rely much too heavily on official
12 cover and was using its official cover again somewhat carelessly
13 and it is a very difficult job to build up unofficial cover,
14 either governmental or nongovernmental. But I felt that far
15 too little was being done about that. Mr. Belin refers to
16 a quite unrelated recommendation of mind. I was fearful that
17 the course the Agency was on was placing more and more reliance
18 on staffing, on men and women brought in fairly young, in many
19 cases right out of college, or soon after college, trained
20 in the Agency and then spending or planning to make life careers
21 there, somewhat in the fashion of the military services, and of
22 the Foreign Service. I think that that is a perfectly appropriate
23 pattern for those other services, but my own belief is that one
24 of the great strengths of the Agency as a corps of individuals
25 in say the mid-50s under Allen Dulles was that it attracted

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1 men from all walks of life, and because it was such a new
2 organization at that time, most of its officers and all of its
3 senior people had had some other kind of professional experience
4 and accomplishment before they came into the organization.

5 It had quite a scattering of men who had had military
6 experience, it had some professionals like myself, it had
7 lawyers, and Helms himself, before his OSS period, had been a
8 journalist, and it had a wide range of skills. I do not mean
9 those skills were important to be used. I never used economics
10 in the Agency, and Helms I don't think ever used journalism, but
11 my point is I think when it is engaging in the kind of business
12 it is, it is better to have a variety of backgrounds, and not
13 to have more than perhaps half of its personnel men who were
14 in there for lifelong careers.

15 This relates to my remarks about official cover and
16 its overuse. The pattern that I think was developing by the
17 end of, by the beginning of the '60s in the clandestine service
18 was that people more and more, its members thought of their
19 careers as a little different in kind, and a little removed
20 from Foreign Service careers. They expected to spend a life
21 doing tours of duty in every case under official cover, and
22 usually identified to the host government. And in short, to
23 follow much the same career pattern as the Foreign Service.

24 I believe that this is not consistent really with the
25 maintenance of the state of mind that ought to animate the

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1 clandestine service.

2 MR. BELIN: Any other questions by members of the
3 Commission?

4 Thank you for coming.

5 MR. OLSEN: I have one that I would like to get kind
6 of on the record.

7 Mr. Bissell, there have been people responsible or
8 irresponsible who have suggested that because you and Allen
9 Dulles and General Cabell were all terminated from the Agency
10 in effect by President Kennedy within a fair period of time
11 after the failure of the Bay of Pigs, that the three of you
12 and other people in the Agency would have had a motive to
13 retaliate against President Kennedy.

14 Could you describe for us what you know of your
15 relationship and that of General Cabell and Allen Dulles with
16 President Kennedy after the termination of your respective periods
17 of service with the Agency?

18 MR. BISSELL: I can't say very much about the other
19 two gentlemen. I am sure that Allen on occasion saw the President,
20 and I have every reason to believe that it was a friendly
21 relationship. I rather doubt whether General Cabell had any
22 direct contact with him after that.

23 I did have contact with him on perhaps two or three
24 occasions. He asked me quite soon after I left the Agency to
25 lend a helping hand to the then head of the rather new Alliance

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1 for Progress, and he also asked me to do a paper for him, that
2 is, for the President, which I did do, on the question of what
3 lessons from the Marshall Plan might have been applicable to the
4 Alliance for Progress.

5 On another more lighthearted occasion, he got me to
6 come over to the White House to give him some advice on cruising
7 on the Maine coast. And the final time, I think, I suppose the
8 final time I saw him, which couldn't have been but very shortly
9 before his death, was the award of a medal. I think I can
10 honestly say that the relationship was an extremely friendly
11 one in my case, and as far as I could judge, mutually so. I had
12 quite a number of contacts with him in the roughly eight months
13 that I was still in the Agency after the Bay of Pigs, and I can
14 say the same of that period.

15 And finally, for the record, I perhaps should say
16 that shortly before I did finally leave the Agency, John McCone,
17 with the President's knowledge and concurrence, and also that
18 of the then Attorney General, asked me to stay on in the Agency,
19 but in a somewhat different position than that of the DDP. I
20 thought it was wiser for me to leave.

21 MR. LEMNITZER: I have a question. Don't you believe
22 that in carrying on the covert operation of the magnitude of
23 the Bay of Pigs, that compartmentation was one of the weaknesses,
24 compartmentation in a clandestine operation to maintain cover
25 and security was absolutely essential, but on the other hand, on

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1 an operation of that size with military aspects involved, it
2 seemed to me that compartmentation was a weakness in the
3 preparation of carrying out of the operation, not to mention the
4 changing decisions that took place along the line as the
5 operation unfolded?

6 MR. BISSELL: Well, I certainly agree with you,
7 General Lemnitzer, in the change in decisions, and I agree
8 with you, I probably would agree with you if you and I discuss
9 specific examples of the compartmentation. I will say, however,
10 that some of the compartmentation I think to this day was
11 absolutely essential, and I will give you an example. We
12 really could not allow the Cuban politicals in Miami, the
13 exile members of the political parties, to visit the brigades
14 in training in Guatemala, and the reason for that was that the
15 brigade was shaping into a disciplined and unified force, and
16 the politicians were totally insecure, and at odds with one
17 another on almost everything. There was a great deal of
18 intriguing in Miami, because if one politician could become
19 identified in the eyes of the brigade, and if the operation was
20 then successful, he would have been the leader.

21 So there is an example of where I think we were right
22 to enforce compartmentation. But I don't think that is the kind
23 of thing you have in mind, and I think I would agree with what
24 you have in mind.

25 MR. LEMNITZER: Well, specifically I have in mind that

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1 within the Joint Chiefs of Staff at the time we could not find
2 out what the diplomatic estimate of the situation was, that if
3 this force did get ashore, and up in an accessible place, that
4 the Cuban people would rally to it, and as a matter of fact,
5 I have not found out yet what the diplomatic estimate of the
6 situation was.

7 MR. BISSELL: Yes, I agree with you. That is an
8 unfortunate example .

9 MR. GRISWOLD: Let me ask you, did the Bay of Pigs
10 operation have anything to do with the gathering of intelligence?

11 MR. BISSELL: No, sir. It was somewhat dependent on
12 it, but it didn't have anything to do with it.

13 MR. GRISWOLD: Then what business is it of the CIA
14 to engage in operations which have nothing to do with the
15 gathering of intelligence?

16 CHAIRMAN ROCKEFELLER: Covert.

17 MR. BISSELL: Well, the category that came to be
18 called covert action operations are justified under a much quoted
19 clause in the CIA's charter which refers to such other activities
20 as the National Security Council directs.

21 MR. GRISWOLD: Is there any evidence that the National
22 Security Council directed this operation?

23 MR. BISSELL: Well, there is a question of definition
24 of exactly what constituted the National Security Council at the
25 time of that operation, but I will say that the plans for the

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1 operation were repeatedly reviewed by a group that included the
2 President of the United States, the Secretaries of State and
3 Defense, and the Assistant Secretary of State who was involved,
4 the Chairman of the Joint Chiefs, or the Acting Chairman of the
5 Joint Chiefs, and then Army Colonel, now General I believe, who
6 had been designated the Chairman of a group of three officers
7 by the JCS to review plans and preparations.

8 So I would say that rarely has what started out as
9 a clandestine operation been more intimately directed by a
10 group, by those individuals who are, I believe, the members of
11 the NSC.

12 CHAIRMAN ROCKEFELLER: Was that both President Eisenhower
13 and President Kennedy?

14 MR. BISSELL: No, this was President Kennedy, and this
15 began with the new administration.

16 CHAIRMAN ROCKEFELLER: And did the brigades have reason
17 to expect that if they were successful, they would get support
18 from the U.S. military forces?

19 MR. BISSELL: No, it had no reason to believe that.

20 MR. LEMNITZER: Isn't a part of the answer to this
21 question the comment made by President Kennedy after the oper-
22 ation failed that he was responsible, that it was at his direction
23 that this operation was carried out?

24 MR. BISSELL: Yes, I think that's true, General
25 Lemnitzer, but you remember I am sure just as I do, the degree

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1 to which the group I have identified was repeatedly involved
2 in review of plans and whatnot.

3 MR. BELIN: Any other questions from the Commission?

4 Thank you very much, sir, for coming.

5 MR. BISSELL: You are welcome.

6 CHAIRMAN ROCKEFELLER: We are very grateful to you,
7 Mr. Bissell.

8 Do you swear to tell the truth, the whole truth, and
9 nothing but the truth, so help you God?

10 MR. DONOHUE: I do.

11 CHAIRMAN ROCKEFELLER: Paul, do you swear to tell the
12 truth, the whole truth, and nothing but the truth, so help you
13 God?

14 MR. O'NEILL: I do indeed.

15 CHAIRMAN ROCKEFELLER: Okay.

16 MR. BELIN: Mr. Donohue, we have generally had just
17 one witness at a time in the room, so perhaps you had better
18 leave the room while your boss testifies, and then we will call
19 you back here.

20 MR. DONOHUE: Okay.

21 MR. CARGILL: Mr. Chairman, we thought we would begin
22 the session on OMB with Mr. O'Neill giving a short background
23 of OMB's role in Government, and then we will proceed to some
24 more specific questions in dealing with the CIA with Mr.
25 Donohue.

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*the testimony of Paul
O'Neill, Director of
OMB, before the Rockefeller
Commission, 21 APR 75*

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1 TESTIMONY OF PAUL O'NEILL

2 MR. O'NEILL: Very quickly, Mr. Vice President and
3 members, I think it would be useful if I would try to give
4 you some perspective about how OMB does its work with other
5 agencies of government; that is to say, with agencies outside
6 of the intelligence area, and specifically outside of the CIA
7 area, so that as you come to the direct testimony from my staff
8 member, Mr. Donohue, you will have a background in mind.

9 I know many of you have had lots of business dealings
10 with the government, and you have some appreciation of how
11 OMB works, so I will indeed be brief. I think I was just
12 looking at some testimony that I am going to be giving in the
13 next couple of days on OMB's budget, and I was looking at the
14 historical members that show how many staff people are in OMB.
15 And I think maybe that is a useful way to come to the subject.

16 In 1947 OMB had about 550 total staff people. Today
17 we have 580 total staff people, including 380 professional staff
18 people who examine the budgets and the programs and activities
19 of everything in the Federal Government. And that means this
20 year, as you know, over \$350 billion worth of expenditures.

21 I think the budget function is a familiar one. We
22 look at the amount of dollars that we are spending and compare
23 it to what we have spent in the past. We look at equity
24 considerations between groups that are served by Federal
25 programs. We try to look at efficiencies, we try to look at

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1 geographic distribution questions and all of the other prospects
2 that you might expect in a budget operation.

3 Now, in addition to that budget examination function,
4 of course, we put together each year the President's budget
5 for the approval of the Congress, and those same people
6 who do the review and the analysis do that preparation function.
7 That is not to say that we print it, but we do everything short
8 of printing the President's budget.

9 In addition to those budget functions which are ongoing
10 through the year, we also perform a legislative clearance
11 function or a legislative review function for the President.
12 Every piece of legislation that is introduced by the President
13 goes through the Office of OMB so that it can be coordinated
14 with the program of the President, and so that every department
15 and agency of government that has any kind of an interest in
16 that legislative proposal from the President has the advantage of
17 a crosscutting analysis from any interested party within the
18 Executive Branch. In addition to doing that kind of process
19 with Presidential legislation, all legislation that is introduced
20 in the Congress by either House, by a member of either House,
21 comes to OMB when a member makes an appropriate request for that
22 same kind of a review, and a report on the Administration's
23 position on the provisions of that legislation just as though
24 it were a piece of Presidential legislation.

25 There are two times during the year when the Director

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1 get deeply involved in the program activities and budget of all
2 of the Departments and agencies of government, once in the
3 spring and secondly in the fall as we are doing the final
4 preparation of the President's budget, and the Director and
5 Deputy sit down with examiners who have the responsibility, and
6 their straw bosses and foremen, and go through with them their
7 examination of the programs, the recommendations that are made
8 by the Department and agency heads, the insights that our own
9 staff have about how resources can best be distributed in
10 preparation for a series of meetings that we have with the
11 President to in turn discuss with him at somewhat higher levels
12 of abstraction the alternatives that we see he has in making
13 the judgments for the upcoming year.

14 In addition, we have, of course, some responsibility
15 for efficiency as indicated earlier, and we do spend some time
16 trying to ferret out programs that are not working well,
17 proposing legislative changes, management changes, on occasion
18 personnel changes to try to accomplish and accommodate better
19 public performance.

20 I think maybe just by way of an example, to give you
21 a more detailed feeling as to how the resources that are invested
22 in the CIA area, or in the intelligence area, or the Defense
23 area as compared to other areas, I might take an example in
24 another area that we examine, and let me say Social Security as
25 an example.

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1 This year, Social Security spending will be \$70
2 billion. We have one full time individual who examines the
3 program of the Social Security Administration. Now, we do have
4 on call some people who are not directly responsible for
5 examining the budget in our management divisions to help out
6 with examination of important management questions. We do call
7 upon financial system experts in our budget review divisions
8 to help support that one individual.

9 But what I am saying to you is we have one individual
10 that examines on a full time basis the activities of the Social
11 Security Administration. At the same time, we have one indi-
12 vidual who examines the activities of the CIA, which in budgetary
13 terms is a much, much smaller agency.

14 CHAIRMAN ROCKEFELLER: One individual?

15 MR. O'NEILL: Yes, sir. We have one full time examiner
16 looking at the Central Intelligence Agency. He is backed up
17 by a so-called branch chief who in turn reports to a division
18 chief that is responsible for all of the international affairs
19 programs of the government, who in turn reports to myself and
20 Jim Lynn. So we are not performing an audit function for the
21 programs and activities of the government, not by the furthest
22 stretch of the imagination are we performing an audit function.
23 If you think back over what has happened with the explosion of
24 government programs in the last 20 years, it is apparent on the
25 face of it that as that explosion has taken place, OMB's role

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1 has changed in a fairly marked way. In looking at the historical
2 files of OMB, it is interesting to note that back in the 1950s
3 there were some 45 people examining the programs of the Veteran's
4 Administration, and they were examining them then in a way that
5 was more like an audit function, because it was possible to do
6 that because we did not have the great number of programs we have
7 now.

8 But that was all changed, and we are not examining
9 programs in anything approaching an audit fashion in any
10 activity of Government, not a single one.

11 CHAIRMAN ROCKEFELLER: Paul, would it be fair to
12 ask, since you gave the figures on the comparison between '47
13 and '75, as to whether you are not grossly understaffed in
14 relation to the responsibilities that were then carried out in
15 terms of the size of the budget, or that is now carried out in
16 terms of the size of the budget? It must be what, about ten times
17 as big?

18 MR. O'NEILL: I think it is probably a lot more than
19 ten times as big. It has really grown by leaps and bounds. I
20 guess I do not think so, but it depends very much on one's
21 philosophical view as to what can be done at the center when
22 you have an explosion of governmental function.

23 My own feeling is that an audit function, and
24 inspector general function that could hope to deliver real
25 results would be so big that if it were in the Executive Office,

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1 that it would overwhelm the Executive office. That is what
2 happened in the OMB as the character of what Federal Government
3 is doing has changed, which is that we have moved away from
4 45 people looking at 170 VA hospitals and trying to know ourselves
5 whether what they were doing in each of those hospitals was right
6 or not. We have moved back into a position where we are really
7 testing, we are testing the general concept of a Veterans
8 health care program against the general concept of health
9 insurance, or we are looking at what is going on in the private
10 sector, and we are dealing at a much more abstract level than
11 we were 25 or 30 years ago, by necessity.

12 Our office would have to be, I would say 2000, if we
13 were to begin to approach a more detailed audit kind of an
14 approach to our work.

15 CHAIRMAN ROCKEFELLER: And is GAO moving into that
16 vacuum?

17 MR. O'NEILL: Somewhat, yes, although the character
18 of their operation from my point of view has changed quite a
19 bit in the last ten or fifteen years. Ten or fifteen years
20 ago they were very much of an accounting mind. They made sure
21 that the numbers all added up, and that people had not defrauded
22 the Federal Government. I do not think they ever told anybody
23 very much interesting about what was going on, about whether it
24 was useful or not, but over the last especially five years, I
25 think they have changed their focus so that they have become

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1 less accounting focused, and less, spending less of their time
2 making sure that the numbers add up, and more of their time
3 in trying to inform both the Executive branch and the government
4 as to the value of those things that are being done with public
5 monies.

6 So that they have changed their focus some also, in
7 part by necessity.

8 CHAIRMAN ROCKEFELLER: Have we not got a former head
9 of the Bureau of the Budget there?

10 MR. O'NEILL: Yes, sir. They did, the former deputy
11 director, as a matter of fact, two former deputy directors,
12 Mr. Hughes and Mr. Staats.

13 CHAIRMAN ROCKEFELLER: That is very interesting.

14 MR. GRAY: How big is GAO, how big a staff do they
15 have?

16 MR. O'NEILL: I don't have a number in my head, but I
17 could give it to you if you had a budget here. It is much
18 larger than our operation, and my guess would be off the top
19 of my head about 4000.

20 CHAIRMAN ROCKEFELLER: GAO?

21 MR. O'NEILL: Yes, sir.

22 MR. KIRKLAND: In these areas where there has been
23 some episodes of misuse of funds, as in some of the poverty
24 programs, and in the housing area, where do they get uncovered?
25 Do they get uncovered in the internal audits of the agency, or

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1 at the OMB level, or how do these things come to light?

2 MR. O'NEILL: Let us take housing as an example. I
3 think the uncovering of fraud problems in those programs has
4 taken place at the local level, and it has taken place with
5 GAO identifying a program, and the Inspector General of HUD
6 has identified problems in those programs. And I think a similar
7 finding on the OEO programs came out of those sorts of things.--
8 OMB's problem with the housing programs really recognized what
9 had been found in the way of fraud, but our focus was more
10 on the equity considerations, what was wrong with the program
11 from an equity point of view. That is, the Federal Government
12 was providing huge subsidies to a very small set of theoretically
13 eligible population, and as we talked to the President as to
14 what we saw wrong with those programs, that is the point we
15 stressed, that there was no way in the world that we could
16 ever equitably provide the same level of housing benefits to
17 the set that was eligible under the current terms and conditions
18 of the programs, and that combined with the cases of fraud that
19 were identified by GAO and the HUD inspector general led us to
20 a recommendation to the President that we stop those 235 and 236
21 subsidized housing programs.

22 MR. KIRKLAND: But the rural line of defense was
23 actually in the control of the Agency, that is, your surveillance?

24 MR. O'NEILL: That is exactly right. Prevention of
25 fraud really begins and ends, or almost ends, with the assigned

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1 responsible officials in those departments and agencies, and
2 I guess my own feeling is that Government has gotten so big
3 that if we can't depend on good surveillance and prevention of
4 fraud by the Cabinet secretary and his officials, that we are
5 going -- we have to depend on public oversight, and I guess I
6 don't think that that works as well as it should. And therefore,
7 indeed, we do have to depend on those cabinet and agency
8 officials to see that we don't use the public's money in an
9 unauthorized way.

10 MR. LEMNITZER: With the fiscal '76 budget being
11 defended before the Congress, I presume you are now starting
12 on the '77 year's budget.

13 MR. O'NEILL: Yes, sir, we are.

14 MR. LEMNITZER: Within your agency. How will CIA
15 approach the problem and present it to you, to your office for
16 1977? Just what are the mechanics of it?

17 MR. O'NEILL: Well, they will receive the so-called
18 budget calling, all of the departments and agencies in about
19 June.

20 MR. LEMNITZER: Do they get any guidelines?

21 MR. O'NEILL: Yes, they will. Right now we are begin-
22 ning to tune up for the '77 process, and over the month of May
23 the Director and I will sit down with all of our
24 examiners and our division heads and go through the prospects
25 for fiscal year 1977 that our intelligence tells us will be

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1 coming in as requests to the President, and we will be looking
2 at that against the backdrop of expected revenues based on
3 anticipation of performance of the economy for fiscal year 1977.
4 We will take all of that assessment of what the agencies are
5 likely to be asking for, separating it out between those things
6 that are new things, and those things that are driven by
7 current authorizations and appropriations, and taking that
8 whole package to the President along with his other economic
9 advisors, Allen Greenspan, and Bill Siedman, and giving a
10 judgment, getting a judgment from him as to how many dollars
11 in broad blocks he wants to tell the Cabinet secretaries and the
12 Agency heads they should use as a planning figure for their
13 work over the next several months.

14 In June, those numbers from the President will go
15 out as guidance to the Departments and agencies, and over the
16 months, July, August, September, they will be within the limits
17 provided by the President, deciding what kind of a specific
18 program, detailed recommendation they want to make to him, and
19 then in September these requests will begin to come in, and in
20 September, October, and November, we will go through our regular
21 budget process, evaluating what it is that is in the base that
22 we must do, that we think it is desirable to keep doing, those
23 things which we think should be taken out, evaluation of new
24 things that are being proposed, and then through a series of
25 sessions with the President, going through and getting his

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1 judgments on all of the numbers for fiscal year 1977.

2 MR. WALLISON: Do you in the course of your activities
3 evaluate the activities of the various agencies in relation to
4 their statutory charters or restrictions?

5 MR. O'NEILL: Well, yes, within the limitations of our
6 staff reach.

7 MR. WALLISON: In the case we have here, assuming
8 there were no Commission and there were no Congressional inquiries,
9 would you consider it your responsibility to review what the
10 Agency has done to determine whether it complied with the statutory
11 charter?

12 MR. O'NEILL: Well, I don't think so, Peter. I guess
13 because I think it is beyond our reach to assure ourselves or
14 the President that everything that is done in the Federal Government
15 is within the statutory authority provided by the Congress. It
16 is just a human impossibility that 380 professional staff people
17 could ensure that everything that is done by a public, government
18 official, a Federal official, is within the limits of the
19 statute.

20 MR. GRAY: I think Mr. Donohue, who was the CIA
21 examiner for five years, can probably answer some of the detailed
22 questions.

23 MR. O'NEILL: Right. Right.

24 MR. BELIN: Any more questions of this Witness?

25 MR. KIRKLAND: I take it from what you said earlier

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1 that say if it were possible and useful to put another ten people
2 on to protect against any real misapplication of funds by an
3 Agency like the CIA, that you feel that they would be more
4 usefully put in the auditing section under the comptroller of
5 the agency rather than the OMB?

6 MR. O'NEILL: Well, I think it would depend in part
7 on whether or not you look at that kind of a change in OMB
8 vis-a-vis CIA only, or whether there was a broad precedent for
9 OMB's role and function. I suppose such a function could be
10 lodged in the OMB, although I must say to you, with the number
11 of people you are talking about, ten people, I would be highly
12 skeptical that you can ensure that things you do not want to
13 happen will not happen. Bureaucracy is so big, even in the
14 case of CIA, that I am skeptical that ten good people can ensure
15 that there would not be any examples or cases of operations outside
16 of the law. I think that has to start at the top with a tone,
17 and direction, and a sense of responsibility that the key officials
18 bring to their job. So I guess I am not saying that you can
19 cut off problems by having ten more people. You might make
20 some difference because it would be a signal that somebody is
21 going to pay closer attention than they have in the past.

22 MR. KIRKLAND: I just took the figure out of the air.
23 You are saying that if that were commensurately multiplied through
24 all of the oversight functions, it would create an agency the
25 size of which you do not want in OMB to be useful.

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1 MR. O'NEILL: I think that is right.

2 MR. KIRKLAND: An element of strengthening would be
3 more in terms of pure misapplication of funds, it would be better
4 done by strengthening the audit arrangements in the Agency?

5 MR. O'NEILL: Yes, and perhaps protecting that inspector
6 general or auditing function from too close an association with
7 the Agency that it is involved in so that it has a separate,
8 clearly defined function, and a supporting relationship that
9 makes it clear that it is expected to be independent of the
10 agency that it is looking at .

11 MR. KIRKLAND: Do you and Jim Lynn, let us say, have
12 a direct relationship with the Comptrollers of the different
13 agencies independent of the director?

14 MR. O'NEILL: You mean with the inspectors general or
15 with the comptrollers?

16 MR. KIRKLAND: Yes, whatever.

17 MR. O'NEILL: It is uneven. It depends on, I think,
18 in both Jim's case and mine, on our previous association with
19 individuals in the government. I am sure he knows the inspectors
20 general.

21 MR. KIRKLAND: Well, where does an inspector general
22 go beyond his boss if he has a problem?

23 MR. O'NEILL: I frankly cannot think of a case and
24 time that I have been in OMB when an inspector general came to
25 me and said here's a problem you should know about, no. But

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1 there have been occasions when a Secretary or a comptroller would
2 come to me and say we think we have got a problem here that
3 you should know about. I cannot think of fraud problems, but
4 undesirable practices problems, for example, yes.

5 MR. BELIN: Any other questions of this witness before
6 we go to Mr. Donohue?

7 Thank you very much, sir.

8 MR. O'NEILL: Okay.

9 CHAIRMAN ROCKEFELLER: Thanks a lot, Paul.

10 TESTIMONY OF ARNOLD E. DONOHUE

11 CHAIRMAN ROCKEFELLER: Are you the one gentleman who
12 is responsible for CIA in OMB?

13 MR. DONOHUE: No, Mr. Vice President. I head a staff
14 of five professionals who review the budgets of the intelligence
15 community, one of which --

16 CHAIRMAN ROCKEFELLER: The whole community?

17 MR. DONOHUE: Right, one of which individuals is assigned
18 to the Central Intelligence Agency, and that has been practiced
19 for I believe the last 13 years.

20 MR. GRISWOLD: Can you speak up, please?

21 MR. DONOHUE: Sure. Excuse me.

22 MR. BELIN: Could you please state your name for the
23 record?

24 MR. DONOHUE: Arnold E. Donohue.

25 MR. BELIN: You are with OMB?

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the testimony of Arnold
Donohue, OMB official in charge
of the CIA budget, before the
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1 MR. DONOHUE: That's right, the international affairs
2 division, the intelligence branch, I am the Chief thereof.

3 MR. BELIN: And what is your educational background?

4 MR. DONOHUE: I graduated from Georgetown University
5 in 1960, and from Princeton, the Woodrow Wilson School, in 1962,
6 and worked five years in the Central Intelligence Agency, primarily
7 as an analyst, political, economic, and joined the Office of
8 Management and Budget in 1967, and have been in the Intelligence
9 Unit of the Office of Management and Budget since that time. I
10 became chief of that branch in 1973.

11 MR. BELIN: Could you describe OMB's activities with
12 the CIA in preparation of its program budget?

13 MR. DONOHUE: Let me give you a very broad answer to
14 that because it probably is the primary work that the unit is
15 involved in during the first nine months of any calendar year,
16 generally from January through the October budget submission of
17 the Agency. The examiner will be involved directly with the
18 Agency, CIA or any other intelligence agency in preparation,
19 looking forward to developing a budget recommendation for the
20 director of the Office of Management and Budget, and ultimately
21 to the President as far as the budget of those agencies goes.

22 So generally the first nine months would be a period
23 where the examiner would undertake a work program looking at
24 various aspects which for one reason or another would be important
25 for making budgetary recommendations. This would be done

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1 sometimes in conjunction with the Agency, attempting to have the
2 Agency analyze a particular aspect of its program or activity,
3 or done independently by the budget examiner as something he
4 felt he had to take the lead in and develop an analysis of his
5 own on, in which context he would then review the official
6 budget submission coming in October 1st, coming in on October
7 1st.

8 That is a very important phase of the work because it
9 really involves the nine month preparation whereby the examiner
10 puts himself in line to review the rather detailed dollars and
11 numbers, personnel data that will come in to him during the
12 course of a budget examination beginning in October.

13 MR. BELIN: Do you have any more specific examples
14 of the level of detail and the type of justification material?

15 MR. DONOHUE: Well, this preliminary phase would be
16 something that would be interactive with the Agency. On October
17 1st, the Central Intelligence Agency, and that's the one I will
18 illustrate with, will come in with a fairly detailed budget
19 submission.

20 MR. BELIN: And you are holding --

21 MR. DONOHUE: And I am holding that in my hand right
22 now for you to see the amount of material in it. It is a very
23 detailed submission in traditional terms of the Office of
24 Management and Budget.

25 MR. BELIN: About how many pages there?

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1 MR. DONOHUE: 250 approximately, 250 pages, with detail
2 really on every office of the Central Intelligence Agency down
3 to division levels, and the examiner would use this as a base
4 of information.

5 MR. LEMNITZER: Would it include proposed covert
6 operations specifically?

7 MR. DONOHUE: It would include in most cases a covert
8 action operation that would be continuing during the coming
9 fiscal year.

10 MR. LEMNITZER: New ones?

11 MR. DONOHUE: Generally it would not include new ones,
12 because it would be nine months in advance at least of the
13 beginning of the fiscal year, and it would be doubtful that
14 new ones would be known that much in advance. In most cases
15 the covert action projects would begin in a shorter time frame
16 than that, and they would not be budgeted for in advance.

17 MR. CONNOR: Is that document classified?

18 MR. DONOHUE: Yes, that document is classified top
19 secret, and I can give a brief rundown of the sort of information
20 it contains.

21 MR. GRISWOLD: Does it include a category for
22 prospective covert operations?

23 MR. DONOHUE: No, it does not. It would include
24 funding of continuing covert action projects.

25 MR. GRISWOLD: I understand. But how is the Agency

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1 going to carry out when it suddenly gets some situation where
2 it seems to the Agency wise to move immediately into a covert
3 operation?

4 MR. KIRKLAND: The contingency or discretionary funds?

5 MR. DONOHUE: Let's move into that area, and I think
6 that probably will help.

7 MR. GRISWOLD: That's what I meant.

8 MR. DONOHUE: I will answer it. CIA does have a unique
9 contingency reserve which is provided for the purposes of meeting
10 basically extraordinary expenses that the Administration, that
11 the Executive branch would not want to propose a supplemental
12 to the Congress for. This contingency would then be used for
13 purposes that came up during the course of the year, any
14 supplemental purpose, whether that be covert action, whether
15 it be the increased pay costs for employees, and it has been
16 used for that in the past, or for emergency intelligence needs.
17 Some new project would begin, and supplemental needs would be
18 identified, and the contingency reserve would be used for that
19 purpose.

20 MR. GRISWOLD: And there is a figure for that in the
21 budget?

22 MR. DONOHUE: Yes, there is.

23 MR. GRISWOLD: How is that figure determined?

24 MR. DONOHUE: The figure is determined, as with any
25 budget figure, with a recommendation or a request by the

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1 Agency for a level of what it anticipates, or some level of
2 funding that it would anticipate being available for the supple-
3 mental purposes during the coming fiscal year. It would be re-
4 viewed by the Office of Management and Budget, and it would be
5 referred to the Congress through the Chairman of the Appropriations
6 Committees, and they would be informed of the amount of that
7 reserve that we anticipated would be available during the coming
8 fiscal year, and that program and financing schedule, which is
9 included in the budget, and they would have the opportunity to
10 write back and to identify, if the Chairmen of the Committees,
11 the Appropriations Committees, would have the opportunity to
12 write back and indicate whether that was reasonable, basically
13 through their appropriations action, and whether there was a
14 reduction involved.

15 In some cases the Congress, for example, has made
16 reductions in the amount of that contingency reserve, and in
17 other cases they have not.

18 MR. KIRKLAND: Is it not maintained on a historical
19 basis and just replenished up to a certain level?

20 MR. DONOHUE: It is generally replenished up to the
21 level of approximately ²⁴(\$50) million a year. That has historically
22 been, and I do not have the exact numbers in front of me, but
23 historically it has been somewhere around ²⁴(\$50) million a year
24 which has been judged adequate in recent years. There were
25 occasions in the past when I think it was over that, and there

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1 are occasions when it has gone below that for any period of time.

2 MR. BELIN: Whose approval is necessary to allow the
3 CIA to use this contingency fund?

4 MR. DONOHUE: As I stated, the basic function of the
5 contingency fund is in lieu of supplemental appropriations
6 requests identified for CIA because of the hidden nature of its
7 budget. Therefore, depending upon the type of activity involved,
8 the approval for the contingency has to come from the office,
9 the use of the contingency funds comes from the Office of
10 Management and Budget, but we would rely on a number of checks
11 on that system. If it was pay supplement or something, that
12 could be easily calculated based on past experience, and our
13 office would take action by itself. If it was a supplemental
14 request for some special intelligence project, we might review
15 that, determine that, in fact, it was a priority need, meeting
16 the needs that the Office of Management and Budget and the
17 President has established for supplementals during that year,
18 or particularly if it was a covert action project, we would
19 attempt to determine, and usually have been successful in
20 determining that 40 committee approval had been given for that
21 project, and hopefully Presidential approval had been given
22 for that project.

23 MR. KIRKLAND: You would not make an independent judgment
24 on its merits, you would look to the authorization?

25 MR. DONOHUE: As far as the merits of the project

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1 itself, we would look in terms of covert action projects
2 to the 40 Committee, with an indication of Presidential approval,
3 and since I have been head of the unit in 1973, I think we have
4 had indications in every covert action project of Presidential
5 approval of that covert action project. We would make an
6 independent financial assessment as to whether the dollar amount
7 requested by the Agency to carry out that covert action
8 project was reasonable, and that would amount to a fair amount
9 of detailed review of each request to use the contingency
10 reserve for covert action projects. We would hold a hearing,
11 based at the time of the request on the facts and information as
12 to the financial cost of that particular project, and do that in
13 a fair amount of detail.

14 That does not mean getting down to every last dollar
15 or person involved, but it does amount to looking on an aggregate
16 basis as to whether this is a reasonable amount, and can they
17 provide, just can the Agency provide justification for that
18 need?

19 MR. KIRKLAND: Well, in point of fact, since future
20 contingency or future covert operations by their nature cannot
21 be budgeted in advance, and usually must be initiated out of
22 the contingency fund, in the OMB, you would get a look at each
23 of these projects for all practical purposes at their inception,
24 wouldn't you?

25 MR. DONOHUE: Yes, sir. We would.

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1 MR. LEMNITZER: I had in mind particularly the recovery
2 of the Russian submarine and the large expenditure that was
3 involved. How was that handled, for example?

4 MR. DONOHUE: Do you want me to answer, David?

5 MR. BELIN: I will ask you this question because the
6 Witness is concerned about secrecy agreements that he has
7 signed pertaining to certain projects.

8 Is there any large project that involved an expenditure
9 of more than \$10 million by the Agency in any one year that was
10 not audited or reviewed by OMB?

11 MR. DONOHUE: It would not be audited.

12 MR. BELIN: I used the word audit incorrectly because
13 you do not audit. That was not carefully reviewed by the OMB?

14 MR. DONOHUE: I do not know of any large project of
15 that magnitude that we would not be aware of. I will be glad
16 to go off the record and answer the question.

17 MR. GRISWOLD: You couldn't get that out of a ²⁴(\$50)
18 million contingency fund.

19 MR. DONOHUE: That is correct.

20 MR. BELIN: Why don't we go off the record because
21 of your concern with regard to the secrecy agreements that you
22 yourself are signing, Mr. Donohue.

23 Can we go off the record for a minute?

24 (Discussion off the record.)

25 MR. BELIN: Let me get back on the record here.

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1 Can I return to the review aspects of your work at
2 OMB?

3 MR. SHANNON: Before we get to that, could I just
4 follow on right here where he was talking about approval by the
5 40 Committee? This is nothing to do with his immediately
6 preceding comments, but just in general I take it if the 40
7 Committee, if you thought you had approval from the 40 Committee
8 or from the President, then you would not look into the question
9 of whether it was, whether it seemed to you to comply with
10 statutory provisions or the Act as far as the Agency was
11 concerned?

12 MR. DONOHUE: I am not sure of that. I have not found
13 an instance where I would challenge it on a legal basis. I
14 have found one project for example, a covert action project,
15 that I would challenge on maybe a roles and missions, proper
16 emphasis, priorities basis, and I would review that and send it
17 up the chain of command in OMB to determine if in fact they
18 feel strongly enough about it to reopen the issue with the
19 President. I think we would do it in that context and have to
20 inform my superiors that, in fact, the President had indicated
21 approval or the 40 Committee had indicated approval, and if he
22 wished to reopen it with the President, that would be his
23 decision.

24 MR. SHANNON: I just thought that came in under where
25 we were discussing more appropriately, and if you were starting

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1 a new line --

2 MR. BELIN: I am going now to the question of review
3 by OMB.

4 Would you care to discuss that as to the number of
5 examiners, the choice of portions of the budget that are reviewed,
6 and any pertinent questions or hearings or recommendations?

7 MR. DONOHUE: Certainly. I have already explained
8 the nine month preparatory. Here on October 1, and almost,
9 usually always on that date, this column will come in and the
10 examiner will usually, the examiner, and there is one examiner
11 for CIA, will usually review this document in detail, going through,
12 marking it up, seeing what areas he does not feel are adequately
13 addressed, or in which he wants more information to address them
14 in terms of a budget recommendation.

15 The things he would look for there are the criteria
16 he would use, which would be for one thing incremental change
17 from year to year, what it was in 1974 versus what they are
18 proposing for 1976. He would look at the magnitude of resources
19 involved here, and if it is a \$50,000 project, he obviously
20 would not have time to look over every \$50,000 project, but if
21 it is a \$500 million project, he might very well look into it.
22 He would look into critical areas, critical areas where we
23 felt, or the Administration felt, or somebody had expressed a
24 view that this was a critical area that needed to be addressed,
25 and he might look at that area very closely. A new project

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1 coming along in the satellite field where the CIA had a
2 responsibility, for example, might be looked at very closely,
3 and he might look at something just to refamiliarize himself
4 with the activities of a particular office.

5 He would, the present examiner at least, and there is
6 no uniform guide here that an examiner would use, but the present
7 examiner for example then prepared a list of written questions
8 for the comptroller of the CIA for him to respond to based on
9 his review of this document. In this case it was six pages worth
10 of questions, 33 questions in all, asking specifically about a
11 number of items, and I can give you some illustrations if you
12 like of the type of detail that he would go into.

13 MR. GRAY: Why don't you read one or two and give us
14 an idea?

15 MR. DONOHUE: All right.

16 Hearing to discuss the totality of ⁰¹(KENNEN) related
17 costs to the Agency covering as a minimum 1974, '75, and '76.
18 The discussion should include by component the costs of R&D,
19 computer and personnel distributions made by the Agency, and how
20 this distribution is integrated into the United States overall
21 classified photo interpretation effort. That may not mean
22 much to you.

23 MR. BELIN: I wonder if we could include a copy of
24 this as an exhibit to your testimony here?

25 Is there any particular reason that this cannot be

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1 included as an exhibit? This is all theoretically secret? Or
2 do you feel you might not be able to?

3 MR. DONOHUE: Well, the code word I just mentioned,
4 ⁰¹ (KENNEN) as a working paper, was not fully classified, so if I
5 could check that out.

6 MR. BELIN: All right.

7 MR. DONOHUE: Let me give you one other example
8 because it relates to one other aspect OMB has with respect
9 to CIA, which is somewhat unique. Hearings with Office of
10 Personnel to cover a justification of the 1976 request, and in
11 general personnel management for the Agency supergrades and
12 average grade requirements, and the status of the CIA retirement
13 and disability system.

14 Prior to this meeting the examiner would like the
15 following information: supergrade positions by name of
16 position as of the end of FY '74 and anticipated for the end
17 of FY '75. Lists should include whether occupied on June 30,
18 1974, and planned occupancy rate for the end of fiscal year
19 '75. Overall accession, termination, trends and plans, 1970
20 through 1976, and average grade and average salary for these
21 years. A paper indicating the Agency's long range plans for
22 the financing of the CIA retirement and disability system fund
23 in the light of the declining balance budget hearings in 1976.

24 Those are very detailed questions in terms of a
25 budget examiner, and it is part of what I might say is a very

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1 intensive review on the part of OMB of the budget of CIA and
2 in this particular case, fulfilling of a function somewhat
3 beyond the scope of the normal budget examiner while looking at
4 the personnel structure of the Agency, the rates of promotion,
5 the average grade structure, the number of supergrades, the number
6 of executive pay levels involved, the financing of the retirement
7 system primarily here, because the Central Intelligence Agency
8 system is not part of the Civil Service Commission and is now
9 not reviewed by the Civil Service Commission as a government
10 personnel system, so OMB does perform somewhat an additional role
11 there.

12 Let me mention one other question here just to show
13 you the amount of detail. Breakdown of personnel, full-time
14 permanent, temporary part-time, and indigenous or local by
15 station overseas for 1974 and 1975 and 1976.

16 MR. BELIN: What number of examiners or analysts
17 do you have in connection with your review?

18 MR. DONOHUE: One examiner, full time, plus my
19 own staff time that I would use in supervision of that exam.

20 MR. KIRKLAND: He works exclusively on CIA?

21 MR. DONOHUE: That's correct.

22 MR. BELIN: What choice of portions of the budget or
23 offices is made for the closest scrutiny apart from the size?

24 MR. DONOHUE: Well, I gave you some criteria earlier
25 for what his choice might be motivated by. He in this particular

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1 case I think looked at approximately 20 of the offices in some
2 more detail out of approximately 50 offices, and that means that
3 30 were not looked at in closer detail other than what was
4 in the written material. But he would give in to a fair amount
5 of detail to a lot of the offices which would be relatively
6 uncontroversial in terms of the resource requirements.

7 MR. BELIN: Are the hearings held on these areas,
8 or are the written questions relied on exclusively?

9 MR. DONOHUE: No, the written questions would serve
10 as a base for then holding a hearing, and I think in the case
11 last year, the examiner indicated he spent approximately 75
12 to 80 hours in oral hearings, using the response he got in
13 the written questions, plus the budget material, to elicit
14 further information to serve as a basis for his recommendation
15 to me, and ultimately to the Director on the level of resources
16 that the CIA would require for 1976.

17 MR. SHANNON: Of the people participating in these
18 hearings, they would be representatives from the administrative
19 part of the CIA and perhaps the Deputy Director or one of the
20 top level officials?

21 MR. DONOHUE: Particularly in the case of 1976, in
22 fact, I accompanied the examiner for an initial session with three
23 of the four major directorates in the CIA, and I think each
24 of those sessions ran about two hours with Mr. Procter, Mr.
25 Nelson, and Mr. Duckett. There was an additional session held with

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1 Mr. Blake, who is in charge of the administrative side, but
2 these were really introductory to provide a total scope of each
3 directorate's activities, followed by the 80 hours of hearings
4 that he had, with usually representatives from the individual
5 offices, whatever side they be in, operations side, or the
6 intelligence production side or support side, and would request,
7 or those people would be present for testimony, or not testimony,
8 hearings on justifications for the budget.

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1 MR. BELIN: Now, may the CIA appeal? Pardon me.

2 MR. SHANNON: I'm still not clear on to what extent
3 the Director of the Agency participates in this kind of a review.
4 Is he involved in this at all? He knows this is going on?

5 MR. DONOHUE: The Director of Central Intelligence?

6 MR. SHANNON: Yes.

7 MR. DONOHUE: The Director, of course, would have
8 blessed this budget submission to OMB. His internal cycle
9 calls for development of a program in the June-July timeframe.
10 Prior to the October 1 submission, the time between June-July
11 where he, as I understand it, would personally review it in
12 the June-July timeframe would then be put into a budget document
13 for October 1st, and generally we would be acquainted with what
14 was going on, the magnitude of the resources, the major items
15 that might influence the size of the budget in the June-July
16 timeframe.

17 MR. SHANNON : But when you go back --

18 MR. DONOHUE: When we go back --

19 MR. SHANNON: To check on this, he is not sitting in
20 on these things, you are doing it further down the line?

21 MR. DONOHUE: That's correct. It would be staff offices
22 throughout CIA not the Director himself. If there was a need for
23 a case to, in fact, have a session with the Director, if we
24 felt it was important, I suppose we could request that, but in
25 most cases the Agency attitude I think is very cooperative here,

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1 and if the information can be provided at whatever level, it
2 is not a question of the individual director being present.

3 MR. GRAY: Mr. Donohue --

4 MR. DONOHUE: Appeals?

5 MR. GRAY: Appeals, that's right.

6 MR. DONOHUE: The process at that point would be CIA,
7 the examiner of the CIA budget making a recommendation to me
8 with my review to a division chief and the Office of Management
9 and Budget, preparing a formal written preparation, submission
10 on our recommendation, our staff recommendation to the Director
11 of OMB in providing that in a session to the Associate Director,
12 and the Director and the Deputy Director, a review of that
13 budget with a recommendation as far as the total amounts to be
14 involved, and the specific items that we would recommend for
15 deletion. At that point the budget process provides for an
16 appeal by the Agency head based on the Director of OMB's decision.
17 He can appeal or he cannot. In the last five years he has
18 appealed the last two years. He did not appeal the previous
19 three years. He would appeal to the President and the decision
20 would be made by the President.

21 MR. GRAY: In the last five years, how much are you
22 cutting his request approximately? We don't need specific figures.

23 MR. DONOHUE: Are you talking in terms of the OBM staff
24 recommendation, the staff of OMB's recommendations or the Director's
25 decision?

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1 MR. GRAY: Let's talk about the Director's decision.

2 MR. DONOHUE: It is three to five percent.

3 MR. BELIN: How was the CIA's budget submitted to
4 Congress?

5 MR. DONOHUE: By the provisions of 50 USC-403 which
6 is the basic CIA statute. The Director of OMB is authorized to
7 transfer funds to the Agency from other accounts, and by tradition
8 the method of identifying the accounts in which the CIA budget
9 is carried to the Congress is by a letter from the Director of
10 OMB to the Chairman of the Appropriations Committees in the
11 House and the Senate identifying the appropriation amount, its
12 location in the budget, and the financing schedule including
13 the amount of contingents or reserve of which the Agency would
14 have available during the coming year. Those letters would go
15 in, in the last year to Mr. McClellan and Mr. Mahon, and they
16 would be responded to at the completion of the appropriations
17 process by Mr. Mahon and Mr. McClellan, Senator McClellan, and
18 Congressman Mahon to the Director of OMB identifying the amount
19 they had appropriated.

20 MR. BELIN: And that is in the Department of Defense
21 budget generally, is that right?

22 MR. DONOHUE: Yes. It has been.

23 MR. BELIN: And after the appropriations bill is passed,
24 how are the funds made available to the CIA?

25 MR. DONOHUE: Upon completion of the appropriations

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1 bill, well, they would be operating under a continuing resolution
2 prior to the completion of the appropriations action, but they
3 would be transferred first from the DOD account to a separate
4 account in the Treasury, and secondly an apportionment of those
5 funds to the CIA for actual expenditures. Those numbers might
6 differ primarily on the basis of if funds were identified for
7 contingency reserve the appropriation amount, that amount trans-
8 ferred, and apportioned, the amount appropriated would always
9 be transferred into this special Treasury account, and the
10 amount apportioned might vary depending upon the amount
11 identified for holding within a contingency and subsequently
12 released.

13 MR. BELIN: Is there any other way in which funds
14 are made available to the Agency?

15 MR. DONOHUE: Yes. The major other additional way,
16 of course, is transfers under the Economy Act provisions.
17 Well, I am not an expert on the Economy Act, but it essentially
18 provides the funds to be transferred to an agency where it can
19 perform a service with economy to another government agency,
20 and has a unique capability, or a unique ability or can provide
21 common service to a number of government agencies, and those
22 transfers would be made in this case to CIA. One of the
23 largest as cited here would be those from the National Reconnaissance
24 Office in charge of satellite development where CIA acts as a
25 developer, and procurer of some of that equipment, and fairly

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1 large sums have annually been provided to the CIA through that
2 mechanism. I would point out that those funds are reviewed by
3 the intelligence unit of OMB in the context of the National
4 Reconnaissance Office and the total satellite programs.

5 MR. BELIN: What is the largest amount transferred in
6 such manner?

7 MR. DONOHUE: I can't give you a detailed answer there,
8 but I think the transfer by NRO has historically run in the
9 last few years at about ²⁴(\$300) million a year.

10 MR. BELIN: Are most funds eventually transferred to the
11 Agency under the Economy Act identified as such in the budget
12 submissions of the transferring agencies?

13 MR. DONOHUE: No, I don't believe they would be
14 identified as transfer items in the budget submissions by the
15 agencies. Of course, in most cases large items here would be
16 the satellite activities, and also the other problem we discussed
17 earlier, the other area that we discussed earlier, those would
18 not be identified, but would be known generally as those pro-
19 grams in which CIA had an interest, and had the responsibility
20 for carrying out the research, development, procurement, engin-
21 eering and the project.

22 MR. BELIN: Is OMB approval required for the CIA
23 to shift funds from one program to another?

24 MR. DONOHUE: Internally within CIA, CIA does have a
25 flexibility to reprogram within the total budget amount approved

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1 by the President. Of course, that is something that would
2 generally not be the wisest thing for an agency to do, especially
3 if it was a program that had not been approved for some reason,
4 or had been deleted in the previous budget submission, because
5 it would entail, therefore, a further look at it by the OMB
6 examiner, and an additional justification, but they technically
7 could reprogram their funds within their total availability to
8 cover their needs as they saw them. Obviously working nine
9 months ahead of the fiscal year in terms of preparation of the
10 budget there would be items that would increase, and they would
11 have to cover these, and they would not require our approval
12 for the reprogramming as such.

13 MR. GRISWOLD: What is NRO?

14 MR. DONOHUE: National Reconnaissance Office. That
15 office which is responsible for the development, procurement,
16 launch and operation of satellite reconnaissance vehicles.

17 MR. BELIN: Now, OMB does not have any responsibility
18 for any audit or inspector general duties over at the CIA,
19 does it?

20 MR. DONOHUE: No, it does not. Obviously our interest
21 in prior year funding is primarily an interest in which to
22 develop a base of information on historical expenditures for
23 the purpose of evaluating future year requirements, the budgets,
24 fiscal year budget year requirements that have been identified.
25 It is not for purposes of going back to see that funds were

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1 actually spent for the intended purpose, although it is
2 conceivable that we might run across a question along that
3 line. It is not a function that we would normally perform.
4 The inspector general role, of course, is one that we also do
5 not perform and CIA has their own inspector general function as
6 part of the Agency.

7 I would like to comment additionally on that, that
8 those two functions of auditor and inspector general would
9 basically be in conflict with the primary, the basic budget
10 function of OMB in terms of attempting to assess future year
11 requirements. The honesty with which an agency would project
12 his future year requirements based on an indepth audit approach
13 to prior year funding would probably create more difficulties
14 for us in terms of attempting to examine these future needs.

15 MR. BELIN: Would OBM generally detect an improper
16 activity if it involved a small number of people and a small
17 amount of money?

18 MR. DONOHUE: As a general rule, I think it would
19 probably not have the capability to get down to small numbers
20 of people engaged in improper activities or a small number of
21 dollars improperly used. Obviously we cannot follow red wigs
22 bought on an individual basis.

23 MR. BELIN: At what level --

24 MR. DONOHUE: We do not attempt to do that and have
25 not succeeded in doing that.

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1 MR. BELIN: At what level of either people or money
2 would such an activity be detected if it were improper?

3 MR. DONOHUE: That is very hard to answer. It would
4 depend on a lot of factors, some of which I enumerated earlier.
5 But for example if there was express presidential interest in
6 questions of illegal activities conducted by the Foreign
7 Resources Division of CIA's Directorate of Operations, the
8 budget examiner might look at that very intently during the
9 coming year, and maybe the coming two or three years, and might
10 notice some illegal activities at a fairly small size. But
11 as a rule, I think we can say that unless you are approaching
12 something on the order of \$1 million or something on the order
13 of 100 people involved, that the large number of CIA people
14 that there are, we probably could not notice it.

15 MR. BELIN: Then did OMB become aware of a CIA trans-
16 fer of \$34,000 to the White House in 1970 to fund responses to
17 Letterman Nixon's Cambodia speech?

18 MR. DONOHUE: No, we were not aware and it was not
19 requested, it was not transferred under the authority of the
20 CIA Act of 1949.

21 MR. BELIN: Did the OMB become aware of Richard Ober's
22 Special Operations Group which was monitoring American dissidents?

23 MR. DONOHUE: We did not.

24 MR. BELIN: Did OMB become aware of mail opening or
25 main intercept programs of the CIA?

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1 MR. DONOHUE: We were not familiar with any mail
2 opening operation in the U.S.

3 MR. BELIN: Were you aware of any assistance to police
4 departments given by the Office of Security of CIA?

5 MR. DONOHUE: I have checked the files on that partic-
6 ular question, and as of the moment I cannot locate any infor-
7 mation indicating our knowledge. As I say, I was not the
8 examiner on CIA during that period, but I found no information
9 in the files indicating our knowledge thereof. My own
10 recollection is that CIA did not attempt to hide, and it was
11 known that they were involved in some training of police on
12 a reimbursable basis from the departments. I do not think that
13 was hidden, but I do not have any records to prove it, and it
14 is a very vague recollection for me.

15 MR. BELIN: Were OMB people aware of investigations
16 by the Office of Security of CIA which might have involved wire
17 tapes and surreptitious entries?

18 MR. DONOHUE: Other than things that I have read in
19 the newspaper, no, we were not familiar with any such activit-
20 ies in the United States.

21 MR. BELIN: Would you please describe for us cases
22 in which the OBM has questioned the propriety of CIA activities?

23 MR. DONOHUE: Propriety is a difficult term to deal
24 with. If the question becomes one of illegality, I think there
25 probably are only two instances, if it is broadly interpreted in

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1 terms of whether the Agency should, in fact, do that for whatever
2 reason. It would cover a large number of things. Obviously we
3 make a number, a large number of specific recommendations in
4 their budget each year. Let me touch on a couple of these.
5 One was the liquidation by CIA of some airlines it was running
6 as proprietary operations in which CIA originally proposed to
7 its congressional committee that the proceeds from these liqui-
8 dations be used to off-set their budget request for fiscal '74.
9 As it turned out, they were, in fact, used partially with the
10 approval of the Congress to off-set ²⁴(\$4) million of CIA budgetary
11 requirements for fiscal year '74. In fiscal year '75, CIA did
12 not make a proposal to include such liquidating asset as an
13 off-set to its regular budget, and the Office of Management and
14 Budget proposed that it do so and, in fact, reduced CIA's
15 appropriations by ²⁴(\$20) million because of anticipated receipts
16 from these, from the sale of these proprietaries during fiscal
17 year '75.

18 Subsequently the CIA General Counsel, Mr. Warner, indi-
19 cated that he felt there was some legal question involved in
20 terms of the propriety of use of proprietary receipts here to
21 off-set the obligation requirements of CIA. We reviewed it with
22 him. Based on the legal opinion that he gave, which Mr. Colby
23 concurred in, we reviewed it with our legal counsel, and our
24 legal counsel indicated that this was probably a reasonable
25 position on the part of the CIA, and so those funds are now not

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1 being used to off-set CIA appropriations. It was not one we
2 originated. In fact, the CIA General Counsel originated it. It
3 is probably a debatable legal question, as a matter of fact,
4 but as it turned out we decided those funds would not be
5 utilized to off-set regular appropriations.

6 MR. GRISWOLD: But they are recovered into the Treasury
7 receipts?

8 MR. DONOHUE: At this point they will be used as
9 regular receipts in the Treasury.

10 MR. GRISWOLD: They are not additional funds for the
11 CIA to spend?

12 MR. DONOHUE: That is correct, and we were attempting
13 to ensure that they were used to off-set regular CIA approp-
14 riations at the time of the appropriations and of the President's
15 budget as opposed to the subsequent Congressional reduction, using
16 the same funds.

17 A couple of other items which I would just like to
18 cite in areas where OMB has been involved in the past where CIA
19 activities might relevant is the Equal Employment Opportunity,
20 which again because of CIA's unique statutory exemption, not
21 unique, but exemption from the Civil Service Commission review,
22 OMB has initiated action to insure that CIA made a conscientious
23 effort to achieve equal employment opportunity goals. I have
24 mentioned the covert action project previously which there was
25 a question of roles and mission. I think there is one other

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1 episode like that where it is partly roles and missions, but
2 it is certainly where I as the unit chief in OBM could use the
3 guidance of this commission, and that is the use of some CIA
4 equipment and some CIA involvement jointly with the FBI in
5 conducting surveillance of foreign embassies, foreign residences,
6 and which the commission, or which I think it is unclear at the
7 present time the extent to which these operations are involved
8 in positive foreign intelligence collection, which obviously is
9 an appropriate mission for CIA versus counterintelligence
10 activities more appropriately seems a mission for the FBI.

11 MR. BELIN: Basically what --

12 MR. DONOHUE: Can I add a couple of items to this?

13 MR. BELIN: Go right ahead.

14 MR. DONOHUE: I do recall very heavy involvement by
15 our office in it, and again I was not personally involved in
16 the implementation of the Katzenbach Report in '67 when it was
17 decided that CIA involvement in private volunteer organizations
18 seemed at that point to be inappropriate. And while I am not
19 sure there was a distinct question of legality involved, it was
20 decided that some of these activities should not be continued
21 and OMB was instrumental in insuring that the Agency did not
22 fund these activities which by presidential decision had been
23 cited to be beyond the realm of CIA at that particular point.

24 MR. BELIN: What impact, if any, has OMB had on the
25 management of the CIA?

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1 MR. DONOHUE: You get into a much broader question
2 there, and I would like to spend a few minutes just elaborating
3 on the larger role that OMB has with respect to management,
4 some of which I think may be Mr. O'Neill covered. But, there
5 would be smaller instances of management activities that we
6 would become involved in on an almost routine basis. I had
7 mentioned personnel management as an area that we look into
8 heavily, but there are other programmatic areas where we would
9 feel that CIA's relationship with another agency of government
10 might need to be straightened out, and we would initiate steps
11 to try and straighten that out. I can think here of trans-
12 ferring of funding for certain third-party SIGINT operations to
13 the National Security Agency where we were heavily involved.
14 On a broader scale we were very intimately involved as a staff
15 in OMB in support of Dr. Schlesinger in his 1971 re-organization
16 study of the intelligence community, and that had very broad
17 recommendations with respect to the organization of the Foreign
18 Intelligence activities of the U.S., such as the President
19 signed off I guess a 10 page directive in November '71 which
20 provided for a greater role for the Director of Central Intelli-
21 gence in the management and coordination of the overall U.S.
22 Foreign Intelligence effort.

23 I could go into that in more detail, Mr. Belin, but
24 this is up to you. This is a very long and exhaustive study
25 amounting to about a year of staff time and essentially six

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1 members of the intelligence community.

2 MR. BELIN: Because of the time limitations, I am
3 going to turn to another area, and that is whether or not since
4 the CIA is not subject to the General Accounting Office, and
5 it is not subject to thorough Congressional review, do you
6 believe that OMB's oversight role should be expanded either in
7 concept or in staff so that there might be a better opportunity
8 to reduce any improper activity?

9 MR. DONOHUE: I think that the chance there of an
10 enlarged OMB staff, in fact, discovering illegal or improper
11 activities with an agency that is extremely adept at hiding
12 things if it wishes would really be impossible. I don't think,
13 with one examiner presently on the budget, and review of that
14 agency that two, three, five would essentially make a difference,
15 and it would essentially require a large number of people to,
16 in fact, do the type of audit function that GAO does for the
17 question of improper activities to really arise in order to get
18 into that in such detail, at least as a guarantee, an expanded
19 OMB staff could not provide that guarantee unless it essentially
20 changed its function to one of audit, and even in that case it
21 would be a post-audit function. It would be one that would
22 discover illegal activities committed perhaps two or three
23 years ago, and not activities currently under commission. I
24 do not believe OMB could easily accept any additional responsibility
25 in the area of audit. It is just beyond its charter. It is out

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1 of tune with its scope as an agency, and would basically be
2 counterproductive in terms of our basic function.

3 MR. BELIN: Well, do you have any other recommendations
4 involving OMB's relationship with the CIA?

5 MR. DONOHUE: In terms of OMB's role I see a number of
6 things that probably we could do to, in fact, strengthen it in
7 relatively minor ways. I offer them not in any hope of guaran-
8 teeing in any sense that improper or illegal activities would
9 not occur, but certainly we could take a closer review of
10 CIA's proprietary operations which now, when once established
11 as an element, we would not require any continuing government
12 funding, and would not generally be reviewed by OMB, except in
13 so far as they required annual transfers to these proprietaries
14 for maintenance. There probably could be some increase in
15 OMB review of transfers to and from CIA under all provisions of
16 the law. They probably have to be restricted to major trans-
17 fers because there are a large number of minor transfers that
18 reimburse personnel on detail that would be very difficult if not
19 impossible to track.

20 OMB could undertake some stricter apportionment of CIA
21 by project or by office, or by program which we do not now do.
22 We essentially apportion to CIA as an agency, and they have the
23 liberty to reprogram within those funds. We could tighten that
24 to a certain extent.

25 We could probably not get down to each individual

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1 project or each individual office, but we could provide some
2 limitations within four, five, possibly as many as ten categories
3 where they would then have to seek our approval for reprogramming
4 actions. That would help us in giving a closer review of
5 CIA on its reprogramming actions at the same time.

6 These are things that could involve some additional
7 paperwork. I don't think they have, would have much prospect
8 for really providing a guarantee against illegal or improper
9 activities.

10 MR. BELIN: Any questions by any members of the
11 Commission?

12 MR. CONNOR: No.

13 MR. BELIN: Any other comments that you want to make,
14 Mr. Donohue, for the record?

15 MR. DONOHUE: No. I think I've probably covered it
16 as well as I can, in fact.

17 MR. BELIN: Well thank you very much for coming here.

18 MR. DONOHUE: Thank you.

19 (Whereupon, at 6:40 o'clock p.m. the Committee was
20 recessed.)

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